# *The*
# Sales Tax Act, 1990

## (Act No. III of 1951 as Amended by Act VII of 1990)

**As amended up to 30th June 2019 through Finance Act, 2019**

(The changes as per amendments through Finance Act, 2019 have been highlighted as green for ease of the readers)

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# *The*
# Sales Tax Act, 1990

**[1][*Act No. III of 1951 as Amended by Act VII of 1990*]**

*An Act to consolidate and amend the law relating to the levy of a tax on the sale [2][, importation, exportation, production, manufacture or consumption] of goods*

WHEREAS it is expedient to consolidate and amend the law relating to the levy of a tax on the sale [3][, importation, exportation, Production, manufacture or consumption] of goods;

It is hereby enacted as follows:-

## [4][Chapter-I

### PRELIMINARY

**1. Short title, extent and commencement.—** (1) This Act may be called the Sales Tax [5][...] Act, 1990.

(2) It extends to the whole of Pakistan.

[6][(3) It shall come into force on such date as the Federal Government may, by notification in the official Gazette, appoint.]

[7]**[2. Definitions.—** In this Act, unless there is anything repugnant in the subject or context,--

[8][(1) "***active taxpayer***" means a registered person who does not fall in any of the following categories, namely:-

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[1] For Statements of Objects and Reasons see Gazette of Pakistan, dated the 30th March 1951, Pt. V. pp 36 and 37.

[2] Substituted for the words "or consumption of goods" by the Finance Act, 1960.

[3] Substituted for the words "or consumption of goods" by the Finance Act, 1960.

[4] Chapter I to X substituted for Chapters I to XVI by the Finance Act, 1990.

[5] Brackets and word "(Amendment)" omitted by the Finance Act, 1991.

[6] Came into force by Notification No. S.R.O. 1100(I)/90, dated 28-10-1990 *w.e.f.* 1st November, 1990.

[7] Section 2 Substituted by the Finance Act, 1996.

[8] Clauses (1) and (1A) substituted for clause (1) by Finance Act, 2015.

(a) who is blacklisted or whose registration is suspended or is blocked in terms of section 21;

(b) fails to file the return under section 26 by the due date for two consecutive tax periods;

(c) who fails to file an Income Tax return under section 114 or statement under section 115, of the Income Tax Ordinance, 2001(XLIX of 2001), by the due date; and

(d) who fails to file two consecutive monthly or an annual withholding tax statement under section 165 of the Income Tax Ordinance, 2001;

(1A) "***Appellate Tribunal***" means the Appellate Tribunal Inland Revenue established under section 130 of the Income Tax Ordinance, 2001 (XLIX of 2001);]

(2) "***appropriate officer***" means an [1][officer of Inland Revenue] authorised by the Board by notification in the official Gazette to perform certain functions under this Act;

[2][(2A) "***arrears***", in relation to a person, means, on any day, the sales tax due and payable by the person under this Act before that day but which has not yet been paid; ]

[3][(3) *"**associates (associated persons)**"* means, –

(i) subject to sub-clause (ii), where two persons associate and the relationship between the two is such that one may reasonably be expected to act in accordance with the intentions of the other, or both persons may reasonably be expected to act in accordance with the intentions of a third person;

(ii) two persons shall not be associates solely by reason of the fact that one person is an employee of the other or both persons are employees of a third person;

(iii) without limiting the generality of sub-clause (i) and subject to sub-clause (iv), the following shall be treated as associates, namely: –

(a) an individual and a relative of the individual;

(b) members of an association of persons;

[1] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[2] Clause (2A) substituted by Finance Act, 2008. Earlier it was inserted by Tax Laws (Amendments) Ordinance, 1999. Originally it was inserted by Finance Act, 1991.

[3] Clause (3) substituted by Finance Act, 2008.

(c) a member of an association of persons and the association, where the member, either alone or together with an associate or associates under another application of this section, controls fifty *per cent* or more of the rights to income or capital of the association;

(d) a trust and any person who benefits or may benefit under the trust;

(e) a shareholder in a company and the company, where the shareholder, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons–

(i) fifty *per cent* or more of the voting power in the company;

(ii) fifty *per cent* or more of the rights to dividends; or

(iii) fifty *per cent* or more of the rights to capital; and

(f) two companies, where a person, either alone or together with an associate or associates under another application of this section, controls either directly or through one or more interposed persons – –

(i) fifty *per cent* or more of the voting power in both companies;

(ii) fifty *per cent* or more of the rights to dividends in companies; or

(iii) fifty *per cent* or more of the rights to capital in both companies.

(iv) two persons shall not be associates under sub-clause (a) or (b) of paragraph (iii) where the [1][Commissioner] is satisfied that neither person may reasonably be expected to act in accordance with the intentions of the other.

(v) In this clause, "relative" in relation to an individual, means–

(a) an ancestor, a descendant of any of the grandparents, or an adopted child, of the individual, or of a spouse of the individual; or

(b) a spouse of the individual or of any person specified in sub-clause (a).]

[1] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[1][(3A) "***association of persons***" includes a firm, a Hindu undivided family, any artificial juridical person and anybody of persons formed under a foreign law, but does not include a company;]

[2][(3AA) "***banking company***" means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes anybody corporate which transacts the business of banking in Pakistan;]

[3][(4) "***Board***" means the Federal Board of Revenue established under section 3 of the Federal Board of Revenue Act, 2007;]

[4][(4A) "***Chief Commissioner***" means a person appointed as the chief Commissioner Inland Revenue under section 30;]

[5][(5) "***Commissioner***" means the Commissioner of Inland Revenue appointed under section 30;]

[6][(5A) "***common taxpayer identification number***" means the registration number or any other number allocated to a registered person;]

[7][(5AA) "***company***" means –

(a) a company as defined in the Companies Ordinance, 1984 (XL VII of 1984);

(b) a body corporate formed by or under any law in force in Pakistan;

(c) a *modaraba*;

(d) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;

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[1] Clause (3A) inserted by Finance Act, 2008.

[2] Clause (3A) re-numbered as (3AA). Earlier it was inserted by Finance Act, 2004.

[3] Clause (4) substituted by Finance Act, 2008. Earlier it was substituted by Finance Act, 2007.

[4] Clause (4A) inserted by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made

[5] Clause (5) inserted by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made Through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[6] Clause (5A) inserted by Finance Act, 2006. Earlier clause (5A) was omitted by Finance Act, 2004. Earlier it was inserted by Tax Laws (Amendments) Ordinance, 1999.

[7] Clause (5AA) inserted by Finance Act, 2008.

(e) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law for the time being in force; or

(f) a foreign association, whether incorporated or not, which the Board has, by general or special order, declared to be a company for the purposes of the Income Tax Ordinance 2001 (XLIX of 2001);

[1][(5AAA)] "***computerized system***" means any comprehensive information technology system to be used by the Board or any other office as may be notified by the Board, for carrying out the purposes of this Act;]

[2][(5AB) "***cottage industry***" means a manufacturing concern, which fulfils each of following conditions, namely:−

(a) does not have an industrial gas or electricity connection;
(b) is located in a residential area;
(c) does not have a total labour force of more than ten workers; and
(d) annual turnover from all supplies does not exceed three million rupees;]

[3][(5AC) "***CREST***" means the computerized program for analyzing and cross matching of sales tax returns, also referred to as COMPUTERISED RISK-BASED EVALUATION of SALES TAX;]

(6) "***Customs Act***" means the Customs Act, 1969 (IV of 1969), and where appropriate all rules and notifications made under that Act;

[4][(6A) "***defaulter***" means a person and, in the case of company or firm, every director, or partner of the company, or as the case may be, of the firm, of which he is a director or partner or a proprietor and includes guarantors or successors, who fail to pay the arrears;]

[5][(6B) *"**default surcharge**"* means the default surcharge levied under section 34;]

(7) "***distributor***" means a person appointed by a manufacturer, importer or any other person for a specified area to purchase goods from him for further supply and includes a person who in addition to being a distributor is also engaged in supply of goods as a wholesaler or a retailer;

[1] Clause (5AA) re-numbered as (5AAA) by Finance Act, 2008. Earlier it was inserted by Finance Act, 2006.
[2] Clause (5AB) substituted by Finance Act, 2019.
[3] CREST 5AC inserted by Finance Act, 2013.
[4] Clause (6A) inserted by Tax Laws (Amendments) Ordinance, 1999.
[5] Clause (6B) substituted by Finance Act, 2008. Earlier it was inserted by Finance Act, 2005.

(8) "***document***" includes any electronic data, computer programmes, computer tapes, computer disks, micro-films or any other medium for the storage of such data;

(9) "***due date***" in relation to the furnishing of a return [1][under section 26], [2][ [3][...] [4][....] means the [5][15th] day of the month following the end of the tax period, or such other date as the [6][Board] may, by notification in the official Gazette, specify [7][and different dates may be specified for furnishing of different parts or annexures of the return];

[8][(9A)] "***e-intermediary***" means a person appointed as e-intermediary under section 52A for filing of electronic returns and such other documents as may be prescribed by the Board from time to time, on behalf of a person registered under section 14;]

[9][(9AA) ***]

(10) "***establishment***" means an undertaking, firm or company, whether incorporated or not, an association of persons or an individual;

(11) "***exempt supply***" means a supply which is exempt from tax under section 13;

[10][(11A)"FBR Refund Settlement Company [11][10a] Limited" means the company with this name as incorporated under the [12][Companies Act, 2017 (XIX of 2017)], for the purpose of settlement of sales tax and income tax refund claims including payment by way of issuing refund bonds under section 67A';]

[13][[10](11B) "***firm***" means the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all;]

(12) "***goods***" include every kind of movable property other than actionable claims, money, stocks, shares and securities;

(13) "***importer***" means any person who [14][ ... ] imports any goods into Pakistan;

[15][(14) "***input tax***", in relation to a registered person, means –

[1] The words and figure inserted by Finance Act, 1998.
[2] The words and figure inserted by Tax Laws Amendment Ordinance, 2000, dated 24th May, 2000.
[3] Comma and words etc. ", sub-section (6) of section 26A" omitted by Finance Act, 2004.
[4] The expression "and section 26AA omitted by Finance, Act, 2016.
[5] Substituted for "20th" by Finance Act, 1998
[6] Substituted for "Federal Government" by Finance Act, 2008
[7] Expression inserted through Finance Act, 2016.
[8] Clause (9A) inserted by Finance Act, 2006. Earlier clause (9A) was omitted by Finance Act, 2004. Originally it was inserted by Tax Laws (Amendments) Ordinance, 2001.
[9] Clause (9AA) omitted by Finance Act, 2004. Earlier it was inserted by Sales Tax (Amendment) Ordinance, 2001, dated February 7, 2001.
[10] Existing clause re-numbered as clause (11B) and new clause (11A) inserted by Finance Supplementary (Second Amendment) Act, 2019
[11] The word (Pvt) omitted by Finance Act, 2019.
[12] Words substituted vide Finance Act, 2019
[13] Clause (11A) inserted by Finance Act, 2008.
[14] Word "lawfully" omitted by Finance Act, 2008
[15] Clause (14) substituted by Finance Act, 2008.

(a) tax levied under this Act on supply of goods to the person;

(b) tax levied under this Act on the import of goods by the person;

(c) in relation to goods or services acquired by the person, tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services; [1][2 ]

(d) [3][…….] [4][Provincial Sales Tax levied on services rendered or provided to the person; and]

(e) levied under the Sales Tax Act, 1990 as adapted in the State of Azad Jammu and Kashmir, on the supply of goods received by the person;]

[5][(14A) the expression "***KIBOR***" means Karachi Inter-Bank Offered Rate prevalent on the first day of each quarter of the financial year;]

[6][(15) "***Local Inland Revenue Office***" means the office of Superintendent of Inland Revenue or such other office as the Board may, by notification in the official Gazette, specify;]

(16) "***manufacture***" or "***produce***" includes –-

(a) any process in which an article singly or in combination with other articles, materials, components, is either converted into another distinct article or product or is so changed, transformed or reshaped that it becomes capable of being put to use differently or distinctly and includes any process incidental or ancillary to the completion of a manufactured product;

(b) process of printing, publishing, lithography and engraving; and

(c) process and operations of assembling, mixing, cutting, diluting, bottling, packaging, repacking or preparation of goods in any other manner;

(17) "***manufacturer***" or "***producer***" means a person who engages, whether exclusively or not, in the production or manufacture of goods whether or not the raw material of which the goods are produced or manufactured are owned by him; and shall include –

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[1] Word "and" added at the end of clause through Finance, Act, 2016.

[2] Word "and" omitted through Tax Laws (Amendment) Ordinance, 2016.

[3] Expression omitted through Finance, Act, 2016.

[4] Expression re-inserted through Tax Laws (Amendment) Ordinance, 2016 having affect from 01st day of July, 2016..

[5] Clause (14A) inserted by Finance Act, 2009.

[6] Clause (15) substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

(a) a person who by any process or operation assembles, mixes, cuts, dilutes, bottles, packages, repackages or prepares goods by any other manner;

(b) an assignee or trustee in bankruptcy, liquidator, executor, or curator or any manufacturer or producer and any person who disposes of his assets in any fiduciary capacity; and

(c) any person, firm or company which owns, holds, claims or uses any patent, proprietary, or other right to goods being manufactured, whether in his or its name, or on his or its behalf, as the case may be, whether or not such person, firm or company sells, distributes, consigns or otherwise disposes of the goods [1][:]

[2][Provided that for the purpose of refund under this Act, only such shall be treated as manufacturer-cum-exporter who owns or has his own manufacturing facility to manufacture or produce the goods exported or to be exported;]

[3][(18) "***Officer of Inland Revenue***" means an officer appointed under section 30;]

(19) "***open market price"*** means the consideration in money which that supply or a similar supply would generally fetch in an open market;

[4][(20) "***output tax***", in relation to a registered person, means –

(a) tax levied under this Act on a supply of goods, made by the person;

(b) tax levied under the Federal Excise Act, 2005 in sales tax mode as a duty of excise on the manufacture or production of the goods, or the rendering or providing of the services, by the person;

(c) Provincial sales tax levied on services rendered or provided by the person;]

[5][(21) "***person***" means,–

(a) an individual;

(b) a company or association of persons incorporated, formed, organized or established in Pakistan or elsewhere;

(c) the Federal Government;

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[1] Substituted for the semi-colon by Finance Ordinance, 2000

[2] Proviso inserted by Finance Ordinance, 2000.

[3] Clause (18) substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[4] Clause (20) substituted by Finance Act, 2008. Earlier it was inserted by Finance Act, 2007.

[5] Clause (21) substituted by Finance Act, 2008.

(d) a Provincial Government;

(e) a local authority in Pakistan; or

(f) a foreign government, a political subdivision of a foreign government, or public international organization;]

(22) "***prescribed***" means prescribed by rules made under this Act;

[1][(22A) "***Provincial sales tax***" means tax levied under, Provincial laws or laws relating to Islamabad Capital Territory, which are declared by the Federal Government, through notification in the official Gazette to be Provincial Sales Tax for the purpose of input tax;]

(23) "***registered office***" means the office or other place of business specified by the registered person in the application made by him for registration under this Act or through any subsequent application to the [2][Commissioner];

(24) "***registration number***" means the number allocated to the registered person for the purpose of this Act;

[3][(25)"***registered person***" means a person who is registered or is liable to be registered under this Act:

Provided that a person liable to be registered but not registered under this Act [4][...] shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules made thereunder;]

[5][(26 ) ***]

(27) "***retail price***", with reference to the Third Schedule, means the price fixed by the manufacturer [6][or importer, in case of imported goods] [7][...], inclusive of all [8][duties], charges and taxes (other than sales tax [9][...]) at which any particular brand or variety of any article should be sold to the general body of consumers or, if more than one such price is so fixed for the same brand or variety, the highest of such price [10][:].

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[1] Clause (22A) inserted by Finance Act, 2008.

[2] The word "Collector" was substituted for "Commissioner" by Finance (Amendment) ordinance, 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

[3] Clause (25) substituted by Finance Ordinance, 2002.

[4] Words "shall remain liable to further tax under sub-section (1A) of section 3 and" omitted by Finance Act, 2004.

[5] Clause (26) omitted by Finance Ordinance, 2002.

[6] The expression inserted vide Finance Act, 2019.

[7] Words "or the importer" omitted by Finance Act, 2005. Earlier these were inserted by Finance Act, 2003.

[8] Words and comma inserted by Finance Act, 2007.

[9] Words "and octroi" omitted by Finance Act, 1998.

[10] The "semicolon" has been substituted by" colon" in Finance Act, 2014

[1][Provided that the Board may through a general order specify zones or areas for the purpose of determination of highest retail price for any brand or variety of goods.]

(28) "***retailer***" means a person [2][***] supplying goods to general public for the purpose of consumption [3][:].

[4][Provided that any person, who combines the business of import and retail or manufacture or production with retail, shall notify and advertise wholesale prices and retail prices separately, and declare the address of retail outlets [5][***].]

[6][(28A) ***]

(29) "***return***" means any return required to be furnished under Chapter-V of this Act;

[7][(29A) "***sales tax***" means – –

(a) the tax, additional tax, or default surcharge levied under this Act;

(b) a fine, penalty or fee imposed or charged under this Act; and

(c) any other sum payable under the provisions of this Act or the rules made thereunder;]

[8][(29AA) "***sales tax account***" means an account representing the double entry recording of sales tax transactions in the books of account;]

(30) "***Schedule***" means a Schedule appended to this Act;

(31) "***similar supply***", in relation to the open market price of goods, means any other supply of goods which closely or substantially [9][resembles] the characteristics, quantity, components and materials of the aforementioned goods;

[1][(31A) "***special audit***" means an audit conducted under section 32A;]

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[1] Inserted by Finance Act 2014.

[2] Words "not being a manufacturer or producer or an importer" omitted by Finance Act, 2003, after omission the commas become superfluous. Earlier commas and words were inserted by Finance Act, 1998.

[3] Substituted for the semi-colon by Finance Act, 2003.

[4] Proviso inserted by Finance Act, 2003.

[5] The comma, words and figures ", and his total turnover per annum shall be taken into account for the purposes of registration under section 14" omitted by Finance Act, 2015.

[6] Clause (28A) omitted by Finance Act, 2008. Earlier it was inserted by Finance Act, 1997.

[7] Clause (29A) inserted by Finance Act, 2008.

[8] Clause (29A) renumbered as (29AA) by Finance Act, 2008. Earlier it was inserted by Finance Act, 2006.

[9] Substituted for "resemble" by Finance Act, 2008

(32) "***Special Judge***" means the Special Judge appointed under Section [2][37C of the act until such appointment is made by the Special Judge appointed under section] 185 of the Customs Act;

[3][(33) "***supply***" means a sale or other transfer of the right to dispose of goods as owner, including such sale or transfer under a hire purchase agreement, and also includes –

(a) putting to private, business or non-business use of goods produced or manufactured in the course of taxable activity for purposes other than those of making a taxable supply;

(b) auction or disposal of goods to satisfy a debt owed by a person; [4][***]

(c) possession of taxable goods held immediately before a person ceases to be a registered person [5][; and]

[6][(d) in case of manufacture of goods belonging to another person, the transfer or delivery of such goods to the owner or to a person nominated by him:]

Provided that the [7][Board, with the approval of the Federal Minister-in-charge,] may, by notification in the official Gazette, specify such other transactions which shall or shall not constitute supply;]

[8][(33A) "***supply chain***" means the series of transactions between buyers and sellers from the stage of first purchase or import to the stage of final supply;]

[9][(34)] ***tax***", unless the context requires otherwise, means sales tax;]

[10][(35) "***taxable activity***", means any economic activity carried on by a person whether or not for profit, and includes – –

(a) an activity carried on in the form of a business, trade or manufacture;

(b) an activity that involves the supply of goods, the rendering or providing of services, or both to another person;

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[1] Clause (31A) inserted by Finance Act, 1998.
[2] Words etc. inserted by Finance Act, 2010 w.e.f. June 5, 2010.
[3] Clause (33) substituted by Finance Act, 2008.
[4] Word "and" omitted by Finance Act, 2015.
[5] Semi-colon and word "and" substituted for colon by Finance Act, 2015. Semi-colon and word "and" substituted for colon by Finance Act, 2015.
[6] Clause (d) added by Finance Act, 2015.
[7] The words "Federal Government" substituted with the expression vide Finance Act, 2019.
[8] Clause (33A) inserted by Finance Act, 2013.
[9] Clause (34) substituted by Finance Act, 2008.

[10] Clause (35) substituted by Finance Act, 2008.

(c) a one-off adventure or concern in the nature of a trade; and

(d) anything done or undertaken during the commencement or termination of the economic activity,

but does not include –

(a) the activities of an employee providing services in that capacity to an employer;

(b) an activity carried on by an individual as a private recreational pursuit or hobby; and

(c) an activity carried on by a person other than an individual which, if carried on by an individual, would fall within sub-clause (b).]

(36) "***tax fraction***" means the amount worked out in accordance with the following formula: –

$$\frac{a}{100 + a}$$

('a' is the rate of tax specified in section 3);

(37) "***tax fraud***" means knowingly, dishonestly or fraudulently and without any lawful excuse (burden of proof of which excuse shall be upon the accused) –

(i) doing of any act or causing to do any act; or

(ii) omitting to take any action or causing the omission to take any action, [1][including the making of taxable supplies without getting registration under this Act [2][*[*; or*]*,]

[3][(iii)] falsifying [4][or causing falsification] the sales tax invoices,]

in contravention of duties or obligations imposed under this Act or rules or instructions issued thereunder with the intention of understating the tax liability [5][or underpaying the tax liability for two consecutive tax periods] or overstating the entitlement to tax credit or tax refund to cause loss of tax;

[6][(38) ***]

[1] Words etc. inserted by Finance Act, 2004.

[2] Substituted for comma by Finance Act, 2005

[3] Sub-clause (iii) inserted by Finance Act, 2005.

[4] Words inserted by Finance Act, 2007.

[5] Words inserted by Finance Ordinance, 2000.

[6] Clause (38) omitted by Finance Act, 2004.

(39) "***taxable goods***" means all goods other than those which have been exempted under section 13;

(40) "***tax invoice***" means a document required to be issued under section 23;

(41) "***taxable supply***" means a supply of taxable goods made [1][...] [2][by an importer, manufacturer, wholesaler (including dealer), distributor or retailer] other than a supply of goods which is exempt under section 13 and includes a supply of goods chargeable to tax at the rate of zero per cent under section 4;

[3][(42) ***]

(43) "***tax period***" means a period of one month or such other period as the [4][Board, with the approval of the Federal Minister-in-charge,] may [5][, ] by notification in the official Gazette, specify;

[6]["(43A) Tier-1 retailers means,–

(a) a retailer operating as a unit of a national or international chain of stores;

(b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;

(c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds Rupees six hundred thousand; [7][ ]

(d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers";] [8][and]

[1][(e) a retailer, whose shop measures one thousand square feet in area or more.";]

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[1] The words "In Pakistan" omitted by Finance Act, 2003.
[2] The words and commas inserted by Finance Act, 1998.
[3] Clause (42) omitted by Finance Act, 1997.
[4] [4] The words "Federal Government" substituted with the expression vide Finance Act, 2019.
[5] Substituted for semi-colon by Finance Act, 2008
[6] Clause (43A) inserted through Finance Act, 2017
[7] The word "and" omitted vide Finance Act, 2019.
[8] The semi colon substituted with the word "and" vide Finance Act, 2019.

[2][(44) "***time of supply***", in relation to,–

(a) a supply of goods, other than under hire purchase agreement, means the time at which the goods are delivered or made available to the recipient of the supply" [3]["or the time when any payment is received by the supplier in respect of that supply, whichever is earlier];

(b) a supply of goods under a hire purchase agreement, means the time at which the agreement is entered into; and

(c) services, means the time at which the services are rendered or provided;

[4][Provided that in respect of sub clause ( a) ,(b) or (c), where any part payment is received, –

(i) for the supply in a tax period, it shall be accounted for in the return for that tax period; and
(ii) in respect of exempt supply, it shall be accounted for in the return for the tax period during which the exemption is withdrawn from such supply ;]

(44A) *"**trust**"* means an obligation annexed to the ownership of property and arising out of the confidence reposed in and accepted by the owner, or declared and accepted by the owner for the benefit of another, or of another and the owner, and includes a unit trust;

(44AA) *"**unit trust**"* means any trust under which beneficial interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held;]

[5][(45)***]

(46) "***value of supply***" means:--

(a) in respect of a taxable supply, the consideration in money including all Federal and Provincial duties [6][and taxes, if any, which the supplier receives from the recipient for that supply but excluding the amount of tax:

Provided that –

(i) in case the consideration for a supply is in kind or is partly in kind and partly in money, the value of the supply shall mean the

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[1] Clause (e) inserted vide Finance Act, 2019.
[2] Clause (44) (44 A) and (44 AA) substituted for clause (44) by Finance Act, 2008.

[3] Clause (44) amended by Finance Act, 2013.
[4] Proviso added by Finance Act, 2013.
[5] Clause (45) omitted by Finance Act, 2004.
[6] Words inserted by Finance Act, 1999.

open market price of the supply excluding the amount of tax; [1][ ... ]

(ii) in case the supplier and recipient are associated persons and the supply is made for no consideration or for a consideration which is lower than the open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax; [2][and]

[3][(iii) in case a taxable supply is made to a consumer from general public on installment basis on a price inclusive of mark up or surcharge rendering it higher than open market price, the value of supply shall mean the open market price of the supply excluding the amount of tax.]

(b) in case of trade discounts, the discounted price excluding the amount of tax; provided the tax invoice shows the discounted price and the related tax and the discount allowed is in conformity with the normal business practices;

(c) in case where for any special nature of transaction it is difficult to ascertain the value of a supply, the open market price;

(d) in case of imported goods [4][excluding those as specified in the Third Schedule], the value determined under section 25 [5][...] of the Customs Act, including the amount of customs-duties and central excise duty levied thereon; [6][...]

(e) in case where there is sufficient reason to believe that the value of a supply has not been correctly declared in the invoice, the value determined by the Valuation Committee comprising representatives of trade and the [7][Inland Revenue] constituted by the [8][Commissioner] [9][;] [10][ ]

[11][(f) in case of manufacture of goods belonging to another person, the actual consideration received by the manufacturer for the value addition carried out in relation to such goods;]

[12][(g)] in case of a taxable supply, with reference to retail tax, the price of taxable goods excluding the amount of retail tax, which a supplier will

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[1] Words "and" omitted by Finance Ordinance, 2001.
[2] Word inserted by Finance Ordinance, 2001.
[3] Sub-clause (iii) inserted by Finance Ordinance, 2001.
[4] The expression inserted vide Finance Act, 2019.
[5] Words etc. "or 25B" omitted by Finance Act, 2004.
[6] The word "and" omitted by Finance Supplementary (Amendment) Act, 1997. Earlier the same amendment was made by Sales Tax (Second Amendment) Ordinance, 1996, dated 2nd November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1979.
[7] Substituted for "Sales Tax Department" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) ordinance 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.
[8] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) ordinance 2010 promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.
[9] Word etc. "; and" substituted for "colon" by Finance Supplementary (Amendment) Act, 1997. Earlier it was substituted by Sales Tax (Second Amendment) Ordinance, 1996, dated 2nd November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1979.
[10] The word "and" omitted vide Finance Act, 2019.
[11] Sub clause (f) substituted by Finance Act, 2019. Earlier it was substituted by Sales Tax (Second Amendment) Ordinance, 1996, dated 2nd November, 1996; and again was made by the Sales Tax (Amendment) Ordinance, 1997.
[12] Sub-Clause (g) inserted by Finance Act, 1997.

charge at the time of making taxable supply by him, or such other price as the Board may, by a notification in the official Gazette, specify.]

[1][(h) in case of supply of electricity by an independent power producer, the amount received on account of energy purchase price only; and the amount received on account of capacity purchase price, energy purchase price premium, excess bonus, supplemental charges etc. shall not be included in the value of supply; and

(i) in case of supply of electric power and gas by a distribution company, the total amount billed including price of electricity and natural gas, as the case may be, charges, rents, commissions and all duties and taxes local, provincial and federal but excluding the amount of late payment surcharge and the amount of sales tax.]

[2][Provided] that, where the Board deems it necessary it may, by notification in the official Gazette, fix the value of any imported goods or taxable supplies or class of supplies and for that purpose fix different values for different classes or description of same type of imported goods or supplies:

Provided further that where the value at which import or supply is made is higher than the value fixed by the Board, the value of goods shall, unless otherwise directed by the Board, be the value at which the import or supply is made;]

[3][(46A) "***whistleblower***" means whistleblower as defined in section 72D of the Sales Tax Act, 1990;]

(47) "***wholesaler***" [4][includes a dealer and] means any person who carries on, whether regularly or otherwise, the business of buying and selling goods by wholesale or of supplying or distributing goods, directly or indirectly, by wholesale for cash or deferred payment or for commission or other valuable consideration or stores such goods belonging to others as an agent for the purpose of sale; and includes [5][a person supplying taxable goods to [6][a person

[1] Clauses (h) and (i) added by Finance Act, 2019.
[2] Provisos substituted by Finance Act, 2006.

[3] Clause (46A) added by Finance Act, 2015.

[4] Words inserted by Finance Act, 1997.

[5] The words, brackets and figures inserted by Finance Act, 1998.

[6] Substituted for "person deducting advance tax under sub-section (4) of section 50 of the Income Tax, 1979 (XXXI of 1979)" by Finance Act, 2004.

[1][who deducts income tax at source under the Income Tax Ordinance, 2001 (XLIX of 2001)]] [2][...]; and

(48) "***zero-rated supply***" means a taxable supply which is charged to tax at the rate of zero per cent under section 4.]

## CHAPTER-II

## SCOPE AND PAYMENT OF TAX

**3. Scope of tax.**– (1) Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of [3][seventeen] per cent of the value of–

(a) taxable supplies made [4][…] by a registered person in the course or furtherance of any [5][taxable activity] carried on by him; and

(b) goods imported into Pakistan, [6][irrespective of their final destination in territories of Pakistan].

[7][(1A) Subject to the provision of sub section (6) of section 8 or any notification issued thereunder, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of [8][three] percent of the value In addition to the rate specified in sub sections (1), (1B), (2), (5), [9][(6) and section 4] provided that the Federal Govt. may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.]

[10][(1B) On the goods specified in the Tenth Schedule, in lieu of levying and collecting tax under sub-section (1), the tax shall be levied and collected, in the mode and manner specified therein−

[1] Substituted for "whose income is not liable to tax under the Income Tax Ordinance, 2001 (XLIX of 2001) but has deducted income tax at source under section 153 of the said Ordinance" by Finance Act, 2006.

[2] Comma and words ", and a person who in addition to making retail supplies is engaged in wholesale business" omitted by Finance Act, 2008.

[3] Substituted for seventeen vide Finance Act, 2013

[4] Words " in Pakistan" omitted by Finance Act, 2003

[5] Words substituted by Finance Act, 1996.

[6] Words inserted through Finance Act, 2017

[7] Sub section (1A) inserted by Finance Act, 2013.

[8] For the word "two" the word "three" inserted by Finance Act, 2018.

[9] The expression inserted through Finance Act, 2017

[10] Clause (1B) substituted vide Finance Act, 2019.

(a) on the production capacity of plants, machinery, undertaking, establishments or installation producing on manufacturing such goods; or

(b) on fixed basis, from any person who is in a position to collect such tax due to the nature of the business,

and different rates may be so prescribed for different regions or areas.]

[1][(2) Notwithstanding the provisions of sub-section (1): –

(a) taxable supplies [2][and import of goods] specified in the Third Schedule shall be charged to tax at the rate of [1][seventeen] per cent of the retail price [3][or in case such supplies [4][or imports] are also specified in the Eighth Schedule, at the rates specified therein and the retail price thereof,] along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer [5][, or the importer, in case of imported goods,] on each article, packet, container, package, cover or label, as the case may be; [6][:][7][ ]

[8][Provided that the Federal Government, may, by notification in the official Gazette, exclude any taxable supply [9][or import] from the said Schedule or include any taxable supply [10][or import] therein; [11][…]

(aa) [12][goods specified in the Eighth schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein; and]

[13][(b) the [14][Federal Government] may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any taxable goods, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified in the said notification.]

(3) The liability to pay the tax shall be,-

(a) in the case of supply of goods[15][…], of the person making the supply, and

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[1] Sub section (2) substituted by Finance Act, 2001

[2] The expression inserted through Finance Act, 2019.
[3] The expression inserted through Finance Act, 2017
[4] The words "or imports" inserted vide Finance Act, 2019.
[5] The expression inserted through Finance Act, 2019.
[6] Substituted for "; and" by Finance Act, 2007.
[7] The word '; and" omitted by Finance Act, 2014.
[8] Proviso inserted by Finance Act, 2007.
[9] The words "or imports" inserted through Finance Act, 2019.
[10] The words "or imports" inserted through Finance Act, 2019.
[11] Word "and" omitted by Finance Bill, 2014.
[12] Inserted by Finance Act, 2014
[13] Clause (b) substituted by Finance Act, 2015.
[14] Words "Federal Government" substituted by Finance Act, 2018.
[15] Words "in Pakistan" omitted by Finance Act, 2003.

(b) in the case of goods imported into Pakistan, of the person importing the goods.

[1][(3A) Notwithstanding anything contained in clause (a) of sub-section (3), the [2][Board, with the approval of the Federal Minister-in-charge,] may, by a notification in the official Gazette, specify the goods in respect of which the liability to pay tax shall be of the person receiving the supply.]

[3][(3B) Notwithstanding anything contained in sub section (1) and (3), sales tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be prescribed, and the liability to charge, collect and pay the tax shall be on the persons specified therein.]

[4][(4) ***]

[5][(5) The [6][Federal Government] may, in addition to the tax levied under sub-section (1) [7][…], [8][…] sub-section (2) and sub-section (4), levy and collect [9]["tax at such extra rate or amount"] not exceeding [10][seventeen] per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.]

[11][(6) The Federal Government or [12][the Board] may, in lieu of the tax under sub-section (1), by notification in the official Gazette, levy and collect such amount of tax as it may deem fit on any supplies or class of supplies or on any goods or class of goods and may also specify the mode, manner or time of payment of such amount of tax.

[13][(7) The tax shall be withheld by the buyer at the rate as specified in the Eleventh Schedule, by any person or class of persons as withholding agent for the purpose of depositing the same, in such manner and subject to such conditions or restrictions as the Board may prescribe in this behalf through a notification in the official Gazette.]

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[1] Sub-section 3A inserted by Finance Act, 1998.
[2] The expression inserted through Finance Act, 2019.
[3] Inserted by Finance Act 2014
[4] Sub section (4) omitted by Finance Act, 2008.
[5] Sub section (5) inserted by Finance Act, 1999.
[6] Words "Federal Government" substituted by Finance Act, 2018.
[7] Word etc. "and (1 A)" omitted by finance Act, 2004.
[8] Word etc. "clause (C) of" omitted by Finance Ordinance, 2002
[9] Words substituted by Finance Act, 2013.
[10] Rate substituted by Finance Act, 2013.
[11] Sub section (6) inserted by Finance Ordinance 2001
[12] Substituted for "Central Board of Revenue" by Finance Act, 2007
[13] Sub-section (7) substituted by Finance Act, 2019.

[1][(8) Notwithstanding anything contained in any law or notification made thereunder [2][, but subject to the provisions of clause (b) of sub-section (2)] in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of seventeen per cent of the value of supply to the CNG consumers, as notified by the Board from time to time, but excluding the amount of tax, as provided in clause (46) of section 2.

[3][(9) Notwithstanding anything contained in subsection (1), tax shall be charged from retailers[4][, other than those falling in Tier-1,] through their monthly electricity bills, at the rate of five percent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half per cent where the monthly bill amount exceeds the aforesaid amount, [5][and the electricity supplier shall deposit the amount so collected directly without adjusting against his input tax]:

Provided that the tax under this sub-section shall be in addition to the tax payable on supply of electricity under sub section (1), (1A) and (5)[6][:]

[7][Provided further that the Commissioner of Inland Revenue having jurisdiction shall issue order to the electricity supplier regarding exclusion of a person who is either a Tier-1 retailer, or not a retailer.]

[8][(9A) Notwithstanding anything contained in this Act, Tier-1 retailers shall pay sales tax at the rate as applicable to the goods sold under relevant provisions of this Act or a notification issued there under:

Provided that the customers of a Tier-1 retailer shall be entitled to receive a cash back of up to five percent of the tax involved, from such date in the manner and to the extent, as may be prescribed by the Board:

Provided further that from such date, and in such mode and manner, as prescribed by the Board, all Tier-1 retailers shall integrate their retail outlets with Board's computerized system for real-time reporting of sales.]

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[1] Sub-section 8 Inserted by Finance Act, 2014.
[2] Comma and words inserted by Finance Act, 2015.
[3] Sub-section 9 inserted by Finance Act, 2014.
[4] Commas and words inserted by Finance Act, 2019.
[5] The expression substituted for the words "subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007" through Finance Act, 2019.
[6] For the full stop a "colon" is substituted through Finance Act, 2019.
[7] The second proviso added vide Finance Act, 2019.
[8] Sub-section (9A) substituted through Finance Act, 2019.

[1][3A. ***]
[2][3AA. ***]
[3][3AAA. ***]

[4]**[3B. Collection of excess sales tax etc.**– (1) Any person who has collected or collects any tax or charge, whether under misapprehension of any provision of this Act or otherwise, which was not payable as tax or charge or which is in excess of the tax or charge actually payable and the incidence of which has been passed on to the consumer, shall pay the amount of tax or charge so collected to the Federal Government.

[5][(2) Notwithstanding anything contained in any law or judgement of a court, including the Supreme court and a High court, any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and any claim for refund in respect of such amount shall neither be admissible to the registered person nor payable to any court of law or to any person under direction of the court.]

(3) The burden of proof that the incidence of tax or charge referred to in sub-section (1) has been or has not been passed to the consumer shall be on the person collecting the tax or charge.]

**4. Zero rating.**– Notwithstanding the provisions of section 3 [6]**[except those of sub-section (1A)]**, [7][...] the following goods shall be charged to tax at the rate of zero per cent:--

[(a) goods exported, or the goods specified in the Fifth Schedule;]

(b) supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan as specified in section 24 of the Customs Act, 1969 (IV of 1969);

[8][(c) such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements:"; and]

[1] Section (3A) omitted by Finance Act, 2004.

[2] Section (3AA) omitted by Finance Act, 2008.

[3] Section (3AAA) omitted by Finance Act, 2002.

[4] Old section (3A) renumbered as (3B) by Finance Act, 1996.
[5] Sub-section (2) substituted by Finance Act, 2014.
[6] The expression inserted through Finance Act, 2017
[7] Words "a Supply of" omitted by Finance Act, 2004.
[8] Clause (c) substituted through Finance Act, 2019.

[1][(d) omitted.]

**5. Change in the rate of tax.**– If there is a change in the rate of tax-

(a) a taxable supply made [2][***] by a registered person shall be charged to tax at such rate as is in force at the time of supply;

(b) imported goods shall be charged to"tax at such rate as" is in force,-

(i) in case the goods are entered for home consumption, on the date on a [9][goods declaration] is presented under section 79 of the Customs Act, 1969 (IV of 1969);

(ii) in case the goods are cleared from warehouse, on the date on which a [3][goods declaration] for clearance of such goods is presented under section 104 of the Customs Act, 1969 (IV of 1969);

Provided that where a [9][goods declaration] is presented in advance of the arrival of the conveyance by which the goods are imported, the tax shall be charged as is in force on the date on which the manifest of the conveyance is delivered:

Provided further that if the tax is not paid within seven days of the of the [4][goods declaration] [5][under section 104 of the Customs Act,] the tax shall be charged at the rate as is in force on the date on which tax is actually paid.

**6. Time and manner of payment. –** (1) The tax in respect of goods imported into Pakistan shall be charged and paid in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 [6][and the provisions of the said Act [7][including section 31A thereof], shall, so far as they relate to collection, payment and enforcement [8][including recovery] of tax under this Act on such goods where no specific provision exists in this Act, apply,].

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[1] Clause (d) omitted by Finance Act, 2019.

[2] Words "in Pakistan" omitted by Finance Act, 2003

[3] Substituted for "bill of entry" by Finance Act, 2005

[4] Substituted for "bill of entry" by Finance Act, 2005

[5] Words, figure and comma inserted by the Finance Act, 1996.

[6] The Words inserted in place of "IV of 1969" by Finance Act, 1996

[7] The words inserted by Finance Act, 1998.

[8] Words "including recovery" inserted by Finance Act, 2015.

[1][(1A) Notwithstanding anything contained in any other law for the time being in force, including but not limited to the Protection of Economic Reforms Act, 1992 (XII of 1992), and notwithstanding any decision or judgment of any forum, authority or court whether passed, before or after the promulgation of the Finance Act, 1998 (III of 1998), the provisions of section 31-A of the Customs Act, 1969 (IV of 1969), referred to in sub-section (1) shall be incorporated in and shall be deemed to have always been so incorporated in this Act and no person shall be entitled to any exemption from or adjustment of or refund of tax on account of the absence of such a provision in this Act, or in consequence of any decision or judgment of any forum, authority or court passed on that ground or on the basis of the doctrine of *promissory estoppel* or on account of any promise or commitment made or understanding given whether in writing or otherwise, by any government department or authority.]

(2) The tax in respect of taxable supplies made [2][***] during a tax period shall be paid by the registered person [3][by the date as prescribed in this respect] [4][:]

[5][Provided that the Board may, by a notification in the Official Gazette, direct that the tax in respect of all or such classes of supplies (other than zero-rated supplies) of all or such taxable goods, as may be specified in the aforesaid notification, shall be charged, collected and paid in any other way, mode, manner or at time as may be specified therein.]

[6][(3) The tax due on taxable supplies [7][***] shall be paid by any of the following modes, namely:-

(i) through deposit in a bank designated by the Board; and

(ii) through such other mode and manner as may be specified by the Board.]

[8][4. ***]

**7. Determination of tax liability.** – (1) [9][Subject to the provisions of [10][section 8 and] , for] the purpose of determining his tax liability in respect of taxable supplies made during a tax period, a registered person shall [11][, subject to the provisions of section 73,] be

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[1] Sub Section (1A) inserted by Sales Tax (amendment) Ordinance, 2002 dated June 07, 2002 and shall be deemed to have always been so inserted.

[2] Words " in Pakistan" omitted by Finance Act, 2013

[3] Words substituted through Finance, Act, 2016.

[4] Substituted for full stop by Finance Act, 1997

[5] Proviso inserted by Finance Act, 1997

[6] Sub Section III substituted by Finance Act, 1996.

[7] Words "made in Pakistan" omitted by Finance Act, 2003.

[8] Sub Section 4 omitted by Finance Act, 1996.

[9] Substituted for the word " for by Finance Act, 2007

[10] The word" section" substituted by the words and figure "section 8 and" in Finance Act 2014.

[11] Comma and word etc, inserted by Finance Ordinance, 2001

entitled to deduct input tax [1][paid [2]*[*or payable [3]*[*during the tax period for the purpose of taxable supplies made, or to be made, by him*]* from the output tax [4][excluding the amount of further tax under sub-section (1A) of section 3.] [5][ ] that is due from him in respect of that tax period and to make such other adjustments as are specified in Section 9 [6][:]

[7][Provided that where a registered person did not deduct input tax within the relevant period, he may claim such tax in the return for any of the six succeeding tax periods.]

(2) A registered person shall not be entitled to deduct input tax from output tax unless,-

(i) in case of a claim for input tax in respect of a taxable supply made [8][***], he holds a tax invoice [9][in his name and bearing his registration number] in respect of such supply [10][, or in case of supply of electricity or gas, a bill bearing his registration number and the address where the connection is installed] [11][:]

Provided that from the date to be notified by the Board in this respect, in addition to above, if the supplier has not declared such supply in his return or he has not paid amount of tax due as indicated in his return;

(ii) [12][in case of goods imported into Pakistan, he holds bill of entry or goods declaration in his name and showing his sales tax registration number, duly cleared by the customs under section 79 [13][, section 81] or section 104 of the Customs Act, 1969 (IV of 1969);]

(iii) [14][in case of goods purchased in auction, he holds a treasury challan, [15][in his name and bearing his registration number,] showing payment of sales tax;]

[16][(iv) ***]

[17][(3) Notwithstanding anything in sub-sections (1) and (2), [1][Board, with the approval of the Federal Minister-in-charge,] may, by a special order, subject to such conditions,

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[1] Words inserted by Finance Act, 1996
[2] Words inserted by Finance Act, 2004.
[3] Words inserted by Finance Act, 1998.
[4] Inserted by Finance Act 2014
[5] Words etc " excluding the amount of tax" omitted by Finance Act, 2004
[6] Substituted for the full stop by Finance Act, 2003
[7] Proviso substituted by Finance Act, 2008.
[8] Words "in Pakistan" omitted by Finance Act, 2003.
[9] Words inserted by Finance Act, 2003.
[10] The expression substituted through Finance Act, 2019.
[11] A Colon substituted the semi colon & Proviso added through Finance, Act, 2016.
[12] Clause (ii) substituted by Finance Act, 2003.
[13] Expression ", section 81" inserted by Finance Act, 2015.
[14] Clause (iii) inserted by Finance Ordinance, 2002
[15] Comma and words inserted by Finance Act, 2004.
[16] Clause (iv) omitted by Finance Act, 1997.
[17] Sub Section (3) inserted by Finance Ordinance, 2002.

limitations or restrictions as may be specified therein allow a registered person to deduct input tax paid by him from the output tax determined or to be determined as due from him under this Act.]

[2][(4) Notwithstanding anything contained in this Act or rules made there under, the [3][Federal Government] may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as may be specified therein, allow a registered person or class of persons to deduct such amount of input tax from the output tax as may be specified in the said notification.]

[4][**7A. Levy and collection of tax on specified goods on value addition. –** [5][(1) Notwithstanding anything contained in this Act or the rules made there under, the [10][Federal Government] may specify, by notification in the official Gazette, that sales tax chargeable on the supply of goods of such description or class shall, with such limitations or restrictions as may be prescribed, be levied and collected on the difference between the value of supply for which the goods are acquired and the value of supply for which the goods, either in the same state or on further manufacture, are supplied.]

[6][(2) Notwithstanding anything contained in this Act or the rules made thereunder, in respect of the goods or class of goods specified in the Twelfth Schedule, the minimum value addition tax, against the value added by the registered person, shall be payable, at the rate and by the registered persons or class of registered persons, specified therein, subject to the conditions, limitations, restrictions and procedure specified therein:

Provided that the Federal Government may, through a notification published in the official Gazette, amend any provision of the said Twelfth Schedule.]

[7][**8. Tax credit not allowed.** – (1) Notwithstanding anything contained in this Act, a registered person shall not be entitled to reclaim or deduct input tax paid on –

[1][(a) the goods [2][or services] used or to be used for any purpose other [3][***] for taxable supplies made or to be made by him;]

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[1] The expression substituted by Finance Act, 2019.
[2] Sub Section (4) inserted by Finance Act, 2007.
[3] Words "Federal Government" substituted by Finance Act, 2018.
[4] Section (7A) inserted by Finance Act, 2003.
[5] Renumbered by Finance Act, 2004
[6] Sub-section (2) substituted vide Finance Act, 2019.
[7] Section (8) substituted by Finance Act, 1996.

(b) any other goods or services which the [4][Federal Government] may, by a notification in the official Gazette, specify[5][;[6][***]]

[7][(c)] [8][***] the goods under [9][sub-section] (5) of section 3 [10][**:]**

[11][(ca) the goods [12][or services] in respect of which sales tax has not been deposited in the Government treasury by the respective supplier;]

[13][(caa) purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain;]

[14][(d) fake invoices; [15][***]

(e) purchases made by such registered person, in case he fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26 [;]

[16][(f) goods and services not related to the taxable supplies made by the registered person.]

[17][(g) goods and services acquired for personal or non-business consumption;]

[18][(h) goods used in, or permanently attached to, immoveable property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but excluding [19][pre-fabricated buildings and] such goods acquired for sale or re-sale or for direct use in the production or manufacture of taxable goods; [20][***]]

[21][(i) vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances,

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[1] Clause (a) substituted by Sales Tax (amendment) Ordinance, 2001 dated February 07, 2001.

[2] Words inserted by Finance Act, 2008.

[3] Words "for the manufacture of production of manufacture goods or," omitted by Finance Act, 2007.

[4] Words "Federal Government" substituted by Finance Act, 2018.

[5] Substituted for full stop by Finance Act, 1999

[6] Word "and" omitted by Finance Act, 2004.

[7] Clause (c) inserted by Finance Act, 1999

[8] Word "on" omitted by Finance Act, 2004.

[9] Substituted for subsection (1A) and Finance Act, 2004

[10] Substituted for the full stop by Finance Act, 2004

[11] Clause (ca) inserted by Finance Act, 2006.

[12]Words inserted by Finance Act, 2008.

[13] Clause (caa) inserted by Finance Act, 2013

[14] Clause (d) inserted by Finance Act, 2004.

[15] The word "and "omitted by Finance Act 2014.

[16] Inserted by Finance Act, 2014.

[17] Inserted by Finance Act, 2014.

[18] Inserted by Finance Act, 2014.

[19] Words inserted by Finance Act, 2015.

[20] Word "and" omitted by Finance Act, 2015.

[21] Inserted by Finance Act, 2014.

furniture furnishings, office equipment (excluding electronic cash registers), but excluding such goods acquired for sale or re-sale] [1][;]

[2][(j) services in respect of which input tax adjustment is barred under the respective provincial sales tax law;

(k) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 7% under Eighth Schedule to this Act;

(l) from the date to be notified by the Board, such goods and services which, at the time of filing of return by the buyer, have not been declared by the supplier in his return [3][or he has not paid amount of tax due as indicated in his return; and

[4][(m) the input goods attributable to supplies made to un-registered person, on pro-rata basis, for which sale invoices do not bear the NIC number or NTN as the case may be, of the recipient as stipulated in section 23.]

(2) If a registered person deals in taxable and non-taxable supplies, he can reclaim only such proportion of the input tax as is attributable to taxable supplies in such manner as may be specified by the Board.

(3) No person other than a registered person shall make any deduction or reclaim input tax in respect of taxable supplies made or to be made by him.

[5][(4) ***]

[6][(5) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the first day of December, 1998.]

[7][(6) Notwithstanding anything contained in any other law for the time being in force or any provision of this Act, [8][Board, with the approval of the Federal Minister-in-charge,] may, by notification in the official Gazette, specify any goods or class of goods which a registered person cannot supply to any person who is not registered [9][***] under this Act.]

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[1] Semi-colon substituted for full stop by Finance Act, 2015.
[2] Clauses (j), (k) and (l) added by the Finance Act, 2015.
[3] Expression added through Finance Act, 2016.
[4] Clause (m) substituted through Finance Act, 2019.
[5] Sub-Section (4) omitted by Finance Act, 1999.

[6] Sub-section (5) inserted by Finance Act, 1999.
[7] Sub-section (6) inserted by Sales Tax (Amendment) Ordinance, 2001 dated February 7, 2001.
[8] The expression substituted by Finance Act, 2019.
[9] Words "or enrolled" omitted by Finance Act, 2004.

[1][(7) ***]

[2][**8A. Joint and several liability of registered persons in supply chain where tax unpaid.**– Where a registered person receiving a taxable supply from another registered person is in the knowledge or has reasonable grounds to suspect that some or all of the tax payable in respect of that supply or any previous or subsequent supply of the goods supplied would go unpaid [3][, of which the burden to prove shall be on the department] such person as well as the person making the taxable supply shall be jointly and severally liable for payment of such unpaid amount of tax [4][:]]

[5][Provided that the Board may by notification in the official gazette, exempt any transaction or transactions from the provisions of this section.]

[6][**8B. Adjustable input tax.–** (1) Notwithstanding anything contained in this Act, in relation to a tax period, a registered person shall not be allowed to adjust input tax in excess of ninety per cent of the output tax for that tax period:

[7][Provided that the restriction on the adjustment of input tax in excess of ninety percent of the output tax, shall not apply in case of fixed assets or Capital goods:]

Provided further that the Board may by notification in the official Gazette, exclude any person or class of persons from the purview of sub-section (1).

(2) A registered person, subject to sub-section (1), may be allowed adjustment [8][or refund] of input tax not allowed under sub-section (1) subject to the following conditions, namely:–

(i) in the case of registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984, upon furnishing a statement along with annual audited accounts, duly certified by the auditors, showing value additions less than the limit prescribed under sub-section (1) above; or

[1] Sub-section (7) omitted by Finance Act, 2004. Earlier it was inserted by Sales Tax (Amendment) Ordinance, 2001, dated February 7, 2001.
[2] Section 8A inserted by Finance Act, 2006.
[3] Expression added by Finance Act, 2015.
[4] Substituted for full stop by Finance Act, 2007.
[5] Proviso inserted by Finance Act, 2007.
[6] Section 8B inserted by Finance Act, 2007.
[7] Proviso substituted by Finance Act, 2011.

[8] Words inserted by Finance Act, 2009.

(ii) in case of other registered persons, subject to the conditions and restrictions as may be specified by the Board by notification in the official Gazette.

(3) The adjustment or refund of input tax mentioned in sub-sections (2), if any, shall be made on yearly basis in the second month following the end of the financial year of the registered person.

(4) Notwithstanding anything contained in sub-sections (1) and (2), the Board may, by notification in the official Gazette, prescribe any other limit of input tax adjustment for any person or class of persons.

(5) Any auditor found guilty of misconduct in furnishing the certificate mentioned in sub-section (2) shall be referred to the Council for disciplinary action under section 20D of Chartered Accountants, Ordinance, 1961 (X of 1961).]

[1][(6) In case a Tier-1 retailer does not integrate his retail outlet in the manner as prescribed under sub-section (9A) of section 3, during a tax period or part thereof, the adjustable input tax for whole of that tax period shall be reduced by 15%.]

**9. Debit and credit note.** – Where a registered person has issued a tax invoice in respect of a supply made by him and as a result of cancellation of supply or return of goods or a change in the nature of supply or change in the value of the supply or some such event the amount shown in the tax invoice or the return needs to be modified, the registered person may, subject to such conditions and limitations as the Board may impose, issue a debit or credit note and make corresponding adjustment against output tax in the return.

[2]**[10. Refund of input tax.–** (1) If the input tax paid by a registered person on taxable purchases made during a tax period exceeds the output tax on account of zero rated local supplies or export made during that tax period, the excess amount of input tax shall be refunded to the registered person not later than forty-five days of filing of refund claim in such manner and subject to such conditions as the Board may, by notification in the official Gazette specify:

[3][Provided that in case of excess input tax against supplies other than zero-rated or exports, such excess input tax may be carried forward to the next tax period, along with the input tax as is not adjustable in terms of sub-section (1) of section 8B, and shall be treated as

[1] New sub-section (6) inserted through Finance Act, 2019.
[2] Section 10 substituted by Finance Act, 2007. Earlier it was also substituted by Finance Act, 1998 and Finance Act, 1996
[3] Proviso substituted by Finance Act, 2008.

input tax for that period and the Board may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, prescribe the procedure for refund of such excess input tax.]

Provided further that the Board may, from such date and subject to such conditions and restrictions as it may impose, by notification in the official Gazette, direct that refund of input tax against exports shall be paid [1][at the fixed rates and in the manner as] notified in the such notification.

(2) If a registered person is liable to pay any tax, default surcharge or penalty payable under any law administered by the Board, the refund of input tax shall be made after adjustment of unpaid outstanding amount of tax or, as the case may, default surcharge and penalty.

(3) Where there is reason to believe that a person has claimed input tax credit or refund which was not admissible to him, the proceedings against him shall be completed within sixty days. For the purposes of enquiry or audit or investigation regarding admissibility of the refund claim, the period of sixty days may be extended up to one hundred and twenty days by an officer not below the rank of an Additional [2][Commissioner Inland Revenue] and the Board may, for reasons to be recorded in writing, extend the aforesaid period which shall in no case exceed nine months.]

[3][**11. Assessment of Tax & Recovery of Tax not levied or short levied or erroneously refunded**] **.–** (1) Where a person who is required to file a tax return fails to file the return for a tax period by the due date or pays an amount which, for some miscalculation is less than the amount of tax actually payable, an officer of Inland Revenue shall, after a notice to show cause to such person, make an order for assessment of tax, including imposition of penalty and default surcharge in accordance with sections 33 and 34:

Provided that where a person required to file a tax return files the return after the due date and pays the amount of tax payable in accordance with the tax return along with default surcharge and penalty, the notice to show cause and the order of assessment shall abate.

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[1] The expression substituted through Finance Act, 2019.

[2] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[3] Section 11 substituted by the Finance Act, 2012. Earlier it was substituted by Finance Act, 1996.

(2) Where a person has not paid the tax due on supplies made by him or has made short payment or has claimed input tax credit or refund which is not admissible under this Act for reasons other than those specified in sub-section (1), an officer of Inland Revenue shall after a notice to show cause to such person, make an order for assessment of tax actually payable by that person or determine the amount of tax credit or tax refund which he has unlawfully claimed and shall impose a penalty and charge default surcharge in accordance with sections 33 and 34.

(3) Where by reason of some collusion or deliberate Act any tax or charge has not been levied or made or has been short levied or has been erroneously refunded, the person liable to pay any amount of tax or charge or the amount of fund erroneously made shall be served with the notice requiring him to show cause for payment of the amount specified in the notice.

(4) Where, by reason of any inadvertence, error or misconstruction any tax or charge has not been levied or made or has been short-levied or has been erroneously refunded, the person liable to the amount of tax or charge or the amount of refund erroneously made shall be served with a notice requiring him to show cause for payment of the amount specified in the notice;

Provided that, where a tax or charge has not been levied under this sub section the amount of tax shall be recovered as tax fraction of the value of supply.

[1][(4A) Where any person, required to withhold sales tax under the provisions of this Act or the rules made thereunder, fails to withhold the tax or withholds the same but fails to deposit the same in the prescribed manner, an officer of Inland Revenue shall after a notice to such person to show cause, determine the amount in default].

(5) No order under this section shall be made by an officer of Inland Revenue unless a notice to show cause is given within five years, of the relevant date, to the person in default specifying the grounds on which it is intended to proceed against him and the officer of Sales Tax shall take into consideration the representation made by such person and provide him with an opportunity of being heard:

Provided that order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded in writing, fix provided that such extended period shall in no case exceed ninety days:

[1] New sub-section 4A added through Finance Act, 2016.

Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding sixty days shall be excluded from the computation of the period specified in the first proviso.

(6) Notwithstanding anything in sub-section (1), where a registered person fails to file a return, an officer of Inland Revenue, not below the rank of Assistant Commissioner, shall subject to such conditions as specified by the Federal Board of Revenue, determine the minimum tax liability of the registered person.

(7) For the purpose of this section, the expression "relevant date" means—

(a) the time of payment of tax or charge as provided under section 6; and

(b) in a case where tax or charge has been erroneously refunded, the date of its refund.]

[1][**11A. Short paid amounts recoverable without notice.–** Notwithstanding any of the provisions of this Act, where a registered person pays the amount of tax less than the tax due as indicated in his return, the short paid amount of tax along with default surcharge shall be recovered from such person by stopping removal of any goods from his business premises and through attachment of his business bank accounts, without giving him a show cause notice and without prejudice to any other action prescribed under section 48 of this Act or the rules made thereunder:

Provided that no penalty under section 33 of this Act shall be imposed unless a show cause notice is given to such person.]

[2]**[11B. Assessment giving effect to an order.–** (1) Except where sub-section (2) applies, where, in consequence of, or to give effect to, any finding or direction in any order made under Chapter-VIII by the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court an order of assessment of tax is to be issued to any registered person, the Commissioner or an officer of Inland Revenue empowered in this behalf shall issue the order within one year from the end of the financial year in which the order of the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court, as the case may be, was served on the Commissioner or officer of Inland Revenue.

[1] Section 11A Substituted by Finance Act, 2006. Earlier it was inserted by Finance Ordinance, 2002.

[2] New section 11B added by Finance Act, 2018.

(2) Where, by an order made under Chapter-VIII by the Appellate Tribunal, High Court or Supreme Court, an order of assessment is remanded wholly or partly and the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, is directed to pass a new order of assessment, the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, shall pass the new order within one year from the end of the financial year in which the Commissioner or Commissioner (Appeals) or officer of Inland Revenue, as the case may be, is served with the order:

Provided that limitation under this sub-section shall not apply, if an appeal or reference has been preferred against the order passed by Appellate Tribunal or a High Court.]

[1][**12.** ***]

[2][**13. Exemption.–** (1) Notwithstanding the provisions of section 3, supply of goods or import of goods specified in the Sixth Schedule shall, subject to such conditions as may be specified by the [3][Federal Government], be exempt from tax under this Act [4][.]

[5][***]

(2) Notwithstanding the provisions of sub-section (1) –

[6][(a) the Federal Government may, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette, exempt any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under this Act, subject to the conditions and limitations specified therein;]

[7][(b) ***]

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[1] Section 12 omitted by Finance Act, 1996.

[2] Section 13 substituted by Finance Act, 1996.

[3] Substituted for "Board" by Sales Tax (Amendment) Ordinance, 1999, dated 13th August, 1999.

[4] Substituted for colon by Tax Laws Amendment Ordinance, 2000, full Stop was substituted for colon by sales tax "(Amendment) Ordinance, 1999, dated 13th August, 1999.

[5] Provisos omitted by Tax Laws Amendment Ordinance, 2000, dated 24th May, 2000. Earlier it was omitted by sales Tax (Amendment) Act, 1999 dated 30-03-1999.

[6] Clause (a) substituted through Finance Act, 2019.

[7] Clause (b) omitted by Finance Act, 2015.

(3) The exemption from tax chargeable under sub-section (2) may be allowed from any previous date specified in the notification issued under clause (a) [1][***].]

[2][(4) ***]

[3][(5) ***]

[4][(6) The [5][Board] shall place before the National Assembly all notifications issued under this section in a financial year.

(7) Any notification issued under sub-section (2), after 1st July, 2015 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued [6][:

Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from the 1st July, 2016 and shall continue to be in force till the 30th June, 2018, if not earlier rescinded:

Provided further that all notifications issued on or after the first day of July, 2016 and placed before the National Assembly as required under sub-section (6) shall continue to be in force till thirtieth day of June, 2018, if not earlier rescinded by the Federal Government or the National Assembly.]

## Chapter-III

## REGISTRATION

[7][**14. Registration**.— (1) Every person engaged in making taxable supplies in Pakistan, including zero-rated supplies, in the course or furtherance of any taxable activity carried on by him, falling in any of the following categories, if not already registered, is required to be registered under this Act, namely:-

[1] Expression "or, as the case may be, order made under clause (b) of that sub-section" omitted by Finance Act, 2015.
[2] Sub-section (4) omitted by Finance Act, 2006.
[3] Sub-section (5) omitted by Sales Tax (Amendment) Ordinance, 2000.
[4] Sub-section (6) and sub-section (7) added by Finance Act, 2015.
[5] Substituted for the words "Federal Government" through Finance Act, 2017
[6] For the full stop a colon inserted and thereafter new provisos added through Finance Act, 2017
[7] Section 14 substituted by Finance Act, 2015.

(a) a manufacturer who is not running a cottage industry;
(b) a retailer who is liable to pay sales tax under the Act or rules made thereunder, excluding such retailer required to pay sales tax through his electricity bill under sub-section (9) of section 3;
(c) an importer;
(d) an exporter who intends to obtain sales tax refund against his zero-rated supplies;
(e) a wholesaler, dealer or distributor; and
(f) a person who is required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act.

(2) Persons not engaged in making of taxable supplies in Pakistan, if required to be registered for making imports or exports, or under any provisions of the Act, or any other Federal law, may apply for registration.

(3) The registration under this Act shall be regulated in such manner as the Board may, by notification in the official Gazette, prescribe.]

[1][**15. *****]

[2][**16. *****]

[3][**17. *****

**18. *****

**19. *****

**20.** ***]

[4]**[21. De-registration, blacklisting and suspension of registration.**– (1) The Board or any officer, authorized in this behalf, may subject to the rules, de-register a registered person or such class of registered persons not required to be registered under this Act.

(2) Notwithstanding anything contained in this Act, in cases where the [5][Commissioner] is satisfied that a registered person is found to have issued fake invoices

[1]Section 15 omitted by the Finance Act, 2014.

[2] Section 16 omitted by Finance Act, 2003.

[3] Sections 17 to 20 omitted by Finance Act, 2004.

[4] Section 21 substituted by Finance Act, 2004.

[5] Substituted "for collector" by Finance Act, 2010

[1][...] or has [2][otherwise] committed tax fraud, he may blacklist such person or suspend his registration in accordance with such procedure as the Board may by notification in the official Gazette, prescribe.]

[3][(3) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales Tax refund or input tax credit, and once such person is black listed, the refund or input tax credit claimed against the invoices issued by him, whether prior or after such black listing, shall [4][...] be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.]

[5][(4) Notwithstanding anything contained in this Act, where the Board, the concerned Commissioner or any officer authorized by the Board in this behalf has reasons to believe that a registered person is engaged in issuing fake or flying invoices, claiming fraudulent input tax or refunds, does not physically exist or conduct actual business, or is committing any other fraudulent activity, the Board, concerned Commissioner or such Officer may after recording reasons in writing, block the refunds or input tax adjustments of such person and direct the concerned Commissioner having jurisdiction for further investigation and appropriate legal action.]

[6][**21A. Active taxpayers list.-**The Board shall have the power to maintain active taxpayers list in the manner as may be prescribed by rules and such rules may provide for the restrictions and limitations to be imposed on a person who ceases to be an active taxpayer.]

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[1] Comma and words ", evaded tax" omitted by Finance Act, 2005.

[2] Word inserted by Finance Act, 2005.

[3] Sub Section (3) inserted by Finance Act, 2011

[4] Words and figure omitted by Finance Act, 2013.

[5] Sub section (4) inserted by Finance Act, 2013.
[6] Section 21A inserted by Finance Act, 2015.

# Chapter-IV
# BOOK KEEPING AND INVOICING REQUIREMENTS

[1][**22. Records.–** (1) A registered person making taxable supplies shall maintain and keep at his business premises or registered office in English or Urdu language the following records of goods purchased [2][, imported] and supplied (including zero-rated and exempt supplies) made by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period –

(a) records of supplies made shall indicate the description, quantity and value of goods, name and address of the person to whom supplies were made and the amount of the tax charged;

(b) records of goods purchased shall show the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the tax on purchases;

[3][(c) records of goods imported shall show the description, quantity and value of goods and the amount of tax paid on imports;]

[4][(d)] records of zero-rated and exempt supplies;

[5][(da) double entry sales tax accounts;]

[6][(e)] invoices, credit notes, debit notes, bank statements, [7][banking instruments in terms of section 73,] inventory records, [8][utility bills, salary and labour bills, rental agreements, sale purchase agreements and lease agreements]; [9][...]

[10][(ea) Record relating to Gate passes, inward or outward and transport receipts.]

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[1] Section 22 substituted by Finance Act, 1996.

[2] The comma and words inserted by Finance Act, 2005.

[3] Clause (c) inserted by Finance Act, 2005.

[4] Existing clause (c) re-lettered as clause (d) by Finance Act, 2005.

[5] Clause (da) inserted by Finance Act, 2006.

[6] Existing clause (d) re-lettered as clause (e) by Finance Act, 2005.

[7] The words, comma and figure inserted by Finance Act, 2004.

[8] The commas and words inserted by Finance Act, 1999.

[9] The word "and" omitted by Finance Act, 2013.

[10] Clause (ea) inserted by Finance Act, 2013.

[1][(f)] such other records as may be specified by the Board:

[2][Provided that the persons paying [3][...] retail tax shall keep such record as may be specified by the Board.]

[4][(1A) Notwithstanding anything in any other law for the time being in force, the Board may require, by notification in the official Gazette, a registered person or class of registered persons to declare and use only as many number of business bank accounts as may be specified by the Board in such notification to make or receive payments on account of purchase and sale transactions for the purpose of this Act or rules made thereunder and to make payment of due tax from such accounts only.]

(2) The Board may, by notification in the official Gazette, specify for any class of taxable persons or any other person registered under this Act to keep such other records for the purposes of this Act.

[5][(2A) The Board may, by notification in the Official Gazette, specify for any class of taxable persons registered under this Act to use such electronic fiscal cash registers as are approved by the Board in the manner as may be prescribed.]

[6][(3) The Board may, by notification in the official gazette, prescribe the procedure or software for electronically maintenance of records, filing of sales tax returns or refunds and for any other matter or approve any software for electronic maintenance of records and filing of returns or refunds by a person or class of such persons.]]

[7][(4) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984 (XLVII of 1984), shall be required to submit a copy of the

[1] Existing clause (e) re-lettered as clause (f) by Finance Act, 2005

[2] Proviso substituted by the Finance Act, 1997.

[3] The words "turnover tax or" omitted by Finance Act, 2005.

[4] Sub-section (1A) inserted by Finance Act, 2007.

[5] Sub-section (2A) inserted by Finance Act, 1999.
[6] Sub Section (3) substituted by Finance Act, 2003.
[7] Sub Section (4) inserted by Finance Act, 2007.

annual audited accounts, along with a certificate by the auditors certifying the payment of due tax by the registered person.]

**23. Tax Invoices.**– (1) A registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the following particulars[1][, in Urdu or English language,] namely: –

(a) name, address and registration number of the supplier;

[[2](b) name, address and registration, number of the recipient and NIC or NTN of the unregistered person, as the case may be, excluding supplies made by a retailer where the transaction value inclusive of sales tax amount does not exceed rupees fifty thousand, if sale is being made to an ordinary consumer.

**Explanation.** – For the purpose of this clause, ordinary consumer means a person who is buying the goods for his own consumption and not for the purpose of re-sale or processing:

Provided that the condition of NIC or NTN shall be effective from 1st August, 2019;]

(c) date of issue of invoice;

(d) description [3][including count, denier and construction in case of textile yarn and fabric,] and quantity of goods;

(e) value exclusive of tax;

(f) amount of sales tax; and

[4][(ff) ***]

(g) value inclusive of tax:

Provided that the Board may, by notification in the official Gazette, specify such modified invoices [5][...] for different persons or classes of persons;

Provided further that not more than one tax invoice shall be issued for a taxable supply[6][:]

[7][Provided also that if it is subsequently proved that CNIC provided by the purchaser was not correct, liability of tax or penalty shall not arise against the seller, in case of sale made in good faith.]

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[1] The expression added through Finance Act, 2019.
[2] Clause (b) substituted by Finance Act, 2019.
[3] The expression added through Finance Act, 2019.
[4] Clause (ff) omitted by Finance Act, 2004.
[5] Comma and words ", including replacement invoice," omitted by Finance Act, 1997.
[6] Substituted for the full stop through Finance Act, 2019.
[7] Third proviso added through Finance Act, 2019.

[1][(2) No person other than a registered person or a person paying [2][*** [3][***]] [4][retail tax] shall issue an invoice under this section.

[5][(3) A registered person making a taxable supply may, subject to such conditions, restrictions and limitations as the Board may, by notification in the official Gazette, specify, issue invoices to another registered person electronically and to the Board as well as to the [6][Commissioner], as may be specified.]

[7][(4) The Board may, by notification in the Official Gazette, prescribe the manner and procedure for regulating the issuance and authentication of tax invoices.]

[1] Sub Section (2) inserted by Finance Act, 1996.
[2] Words "turnover tax or" omitted by Finance Act, 2004.
[3] Words "or retailer tax" added by Finance Act, 1997.
[4] Words inserted by Finance Act, 1997.
[5] Sub section (3) inserted by Finance Act, 2005.
[6] Substituted for "Collector" by Finance Act, 2010.
[7] Sub Section (4) inserted by Finance Act, 2007.

[1]**[24. Retention of record and documents for** [2]**[Six] years.**– A person, who is required to maintain any record or documents under this Act, shall retain the record and documents for a period of [8][Six] years after the end of the tax period to which such record or documents relate [3][or till such further period the final decision in any proceedings including proceedings for assessment, appeal, revision, reference, petition and any proceedings before an alternative Dispute Resolution Committee is finalized].]

[4]**[25. Access to record, documents, etc.**– [5][(1) A person who is required to maintain any record or documents under this Act [6][or any other law] shall, as and when required by [5][Commissioner],produce record or documents which are in his possession or control or in the possession or control of his agent; and where such record or documents have been kept on electronic data, he shall allow access to [the officer of Inland Revenue authorized by the Commissioner] and use of any machine on which such data is kept.]

[7][(2) The officer of Inland Revenue authorized by the Commissioner, on the basis of the record, obtained under sub-section (1), may, once in a year, conduct audit:

Provided that in case the Commissioner has information or sufficient evidence showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of Inland Revenue, not below the rank of Assistant Commissioner, to conduct an inquiry or investigation under section 38:

Provided further that nothing in this sub-section, shall bar the officer of Inland Revenue from conducting audit of the records of the registered person if the same were earlier audited by the office of the Auditor-General of Pakistan[8][.]

[9][omitted]

[1] Section (24) substituted by Finance Act, 1996.
[2] Substituted for "Five" by Finance Act, 2010.
[3] Words and Commas inserted by Finance Act, 2010.

[4] Section (25) substituted by Finance Act, 1995.

[5] Numbered by Finance Act, 2003

[6] Words inserted by Finance Act, 1999.

[7] Substituted for "Such Officer of Sales tax" by Finance Act, 2010

[8] Substituted for the colon through Finance Act, 2019.
[9] Third proviso omitted by Finance Act, 2019.

[1][(3)] After completion of Audit under this section or any other provision of this Act, the officer of Inland Revenue may, after obtaining the registered person's explanation on all the issues raised in the audit shall pass an order under section (11) [2][***].]

[3][(4) ***]

[4][(4A) ***]

[5][ (5) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with [6][default surcharge] voluntarily, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with [default surcharge] during the audit, or at any time before issuance of show cause notice [7][...] he may deposit the evaded amount of tax, [2][default surcharge] under section 34, and twenty five per cent of the penalty payable under section 33:

Provided further that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with [8][default surcharge] after issuance of show cause notice, he shall deposit the evaded amount of tax, [2][default surcharge] under section 34, and full amount of the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated.]

[9][***Explanation***.– For the purpose of sections 25, 38, 38A, 38B and 45A and for removal of doubt, it is declared that the powers of the Board, Commissioner or officer of

[1] Sub Section 3 substituted by Finance Act, 2010.

[2] Words, figures and comma "or section 36, as the case may be" omitted by Finance Act, 2015.

[3] Sub Section 4 omitted by Finance Act, 2010.

[4] Sub Section (4A) expired.

[5] Sub Section (5) inserted By Finance Act, 2003.

[6] Substituted for "Additional Tax" by Finance Act, 2005

[7] Words in lieu of Audit report omitted by Finance Act, 2010

[8] Substituted for the words "additional tax" by Finance Act, 2005.

[9] Explanation added by Finance Act, 2013.

Inland Revenue under these sections are independent of the powers of the Board under section 72B and nothing contained in section 72B restricts the powers of the Board, Commissioner or Officer of Inland revenue to have access to premises, stocks, accounts, records, etc. under these sections or to conduct audit under these sections.]

[1]**[25A. Drawing of samples.–** Where an authorized officer of [2][Inland Revenue] considers it necessary to take a sample of any goods or raw materials, for the purpose of determining their liability to sales tax or for the purpose of establishing their value or for any other reason, he may remove a minimum quantity of goods or raw materials sufficient to enable a proper examination or analysis to be made. At the time of taking the sample the person in possession of the goods shall be informed and given the opportunity to sign the representative samples, so drawn, and take a corresponding sample for his record. Any sample taken under this section shall be taken against a proper receipt a copy each of which shall be kept in the record by the registered person and the [3][Large Taxpayers Unit or Regional Tax Office, as the case may be].]

[4][**25AA. Transactions between Associates.**– The Commissioner or an office of Inland Revenue may, in respect of any transaction between persons who are associates, determine the transfer price of taxable supplies between the persons as is necessary to reflect the fair market value of supplies in an arm's length transaction.]

## Chapter-V

[1] Section 25A inserted by Finance Act, 1999.

[2] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[3] Substituted for "Collectorate" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[4] Section (25AA) by Finance Act, 2010 w.e.f. june5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

## RETURNS

[1]**[26.** [2]**[***] Return.–** (1) Every registered person [3][...] shall furnish not later than the due date a true and correct return in the prescribed form to a designated bank [4][or any other office] specified by the Board, indicating the purchases and the supplies made during a tax period, the tax due and paid and such other information, as may be prescribed [5][;]

[6][Provided that the Board may, by notification in the official Gazette, require any person or class of persons to submit return on quarterly basis:

Provided further that the Board may, by notification in the official Gazette, require any person or class of persons to submit such return as may be prescribed annually in addition to the monthly return or quarterly return:

Provided also that the return filed electronically on the web or any magnetic media or any other computer readable media as may be specified by the Board shall also be deemed to be a return for the purpose of sub-section (1) and the Board may, by notification in the official Gazette, make rules for determining eligibility of the data of such returns and e-intermediaries who will digitize the data of such returns and transmit the same electronically under their digital signatures.]

[7][...]

(2) [8][....] omitted

[1] Section 26 substituted by Finance Act, 1996

[2] Word "monthly" omitted by Finance Act, 2006.

[3] Words "making taxable supplies" omitted by Finance Act, 1999.

[4] Words inserted by Finance Act, 2006.

[5] In the proposed amendment "a full stop is substituted for a colon" while colon is already appearing.

[6] Proviso inserted by Finance Act, 2006.

[7] Proviso omitted by Finance Act, 2006

[8] Sub-section (2) omitted through Finance Act, 2016.

[1][(3) A registered person may, subject to approval of the [2][Commissioner Inland Revenue] having jurisdiction, file a revised return within [3][one hundred and twenty] days of the filing of return under sub-section (1) or, as the case may be, sub-section (2), [4][ or under clause (a) or clause (b) of section 27], to correct any omission or wrong declaration made therein[5][:]

[6][Provided that the approval under this sub-section shall not be required if revised return is filed within sixty days of filing of return and either the tax payable therein is more than the amount paid or the refund claimed therein is less than the amount as claimed, under the return sought to be revised.]

[7][(4) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to file revised return voluntarily along with deposit of the amount of tax short paid or amount of tax evaded along with [8][default surcharge], whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that in case the registered person wishes to deposit the amount of tax as pointed out by the officer of [9][Inland Revenue] during the audit, or at any time before issuance of the show cause notice [10][...], he may deposit the evaded amount of tax, [default surcharge] under section (34), and twenty five percent of the penalty payable under section 33 along with the levied return:

Provided further that in case the registered person wishes to deposit the amount after issuance of show cause notice, he shall deposit the evaded amount of sales tax [11][...],[12][default surcharge] under section 34, and full amount of leviable penalty under section 33 along with the revised return and thereafter, the show cause notice, shall stands abated.]

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[1] Sub section (3) substituted by Finance Act, 2006.

[2] Substituted for collector of Sales tax by Finance Act, 2010

[3] Substituted for "ninety" by Finance Act, 2008.

[4] Words inserted by Finance Act, 2011.

[5] Substituted for the full stop through Finance Act, 2019.
[6] New proviso added through Finance Act, 2019.
[7] Subsection (4) inserted by Finance Act, 2003.
[8] Substituted for "Additional Tax" by Finance Act, 2005.
[9] Substituted for "Sales tax" by Finance Act, 2010.
[10] Words "in lieu of the audit report" omitted by Finance Act, 2010.
[11] Words "etc alongwith the amount of further tax as per provision of sub section (1A) of section 3, if applicable omitted by Finance Act, 2004.
[12] Substituted for words "additional tax" by Finance Act, 2005.

[1][(5) The Board may, by notification in the official Gazette, require any person or class of persons, for any goods of such description or class, to furnish such summary or details or particulars pertaining to the imports, purchases and supplies during any tax period or periods, in such format as may be specified.]

[2][**26A. *****]

[3][**26AA.** ***]

[4][**27. Special Returns.– In addition to the return specified under section 26 –**

(a) a person registered [5][ [6][ ] under this Act] shall furnish special return within such date and in such form indicating information such as quantity manufactured or produced, purchases made, goods supplied or payment of arrears made, etc, for such period as the Board may, by a notification in official gazette, specify; and

(b) the [7][commissioner] may require any person whether, registered or not, to furnish a return (whether on his own behalf or as an agent or trustee) in a prescribed form and such person shall furnish the return not later than the date specified in this regard.]

[1] Sub section (5) inserted by Finance Act, 2004.

[2] Section 26 A omitted by Finance Act, 2004.

[3] Section 26AA omitted by Finance Act, 2008.

[4] Section 27 substituted by the Finance Ordinance, 2000.

[5] Substituted for words and figure "under section 14" by sales tax (Amendments) Ordinance, 2000, dated September 05, 2000.

[6] Words "or enrolled" omitted by Finance Act, 2004.

[7] Substituted for "Collector" by Finance Act, 2010

[1]**[28. Final Return.–** If a person applies for de-registration in terms of section 21, he shall before such de-registration, furnish a final return to the [2][commissioner] in the specified form in such manner and at such time as directed by the [3][commissioner]].

**29. Return deemed to have been made.–** A return purporting to be made on behalf of a person [4][by his duly appointed representative] shall, for all purposes, be deemed to have been made by such person or under his authority unless proved to the contrary.

## Chapter-VI

## APPOINTMENT OF [5][OFFICERS OF SALES TAX] & THEIR POWERS

[6][**30. Appointment of Authorities.–** (1) For the purposes of this Act, the Board may, appoint in relation to any area, person or class of persons, any person to be –

(a) a chief commissioner of Inland Revenue;
(b) a commissioner of Inland Revenue ;
(c) a commissioner of Inland Revenue (Appeals);
(d) an Additional commissioner of Inland Revenue ;
(e) a Deputy commissioner of Inland Revenue;
[7][(ea) District Taxation Officer Inland Revenue;]
(f) an Assistant commissioner of Inland Revenue;
[8][(fa) Assistant Director Audit Inland Revenue;]
(g) an Inland Revenue Officer;
(h) a Superintendent Inland Revenue;

[1] Section 28 substituted by Finance Act, 1996.

[2] Substituted for "Collector" by Finance Act, 2010

[3] Substituted for "Collector" by Finance Act, 2010

[4] Words inserted by Finance Act, 1996.

[5] Any reference to the "Sales Tax Officer" shall be construe as reference to an "Officer of "Inland Revenue" by virtue of section 72 of the Sales Tax Act, 1990.

[6] Section 30 substituted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, Published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at Pages 229 to 259. Earlier it was substituted by Finance Act, 1996.

[7] Clause (ea) inserted through Finance Act, 2017
[8] Clause (fa) inserted through Finance Act, 2017

(i) an Inland Revenue Auditor Officer [1][...];

[2][(ia) an inspector Inland Revenue; and]

(j) an officer of Inland Revenue with any other designation.

(2) The Chief Commissioner Inland Revenue and Commissioner Inland Revenue (Appeals) shall be sub-ordinate to the Board and Commissioner Inland Revenue shall be sub-ordinate to the Chief Commissioner Inland Revenue.

[3][(2A) The Chief Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons or such areas as the Board may direct.

[5](2B) The Commissioners Inland Revenue shall perform their functions in respect of such persons or classes of persons or such areas as the Chief Commissioner, to whom they are sub-ordinate, may direct.]

(3) Additional Commissioner Inland Revenue, Deputy Commissioners Inland Revenue [4][, District Taxation Officer Inland Revenue], Assistant Commissioner Inland Revenue [6][, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland Revenue Officer [5][, Inspector Inland Revenue], and officer of Inland Revenue with any other designation shall be sub-ordinate to the Commissioner Inland Revenue and shall perform their functions in respect of such persons or classes of persons or such areas as the Commissioners, to whom they are sub ordinate, may direct.

(4) Deputy Commissioner Inland Revenue [6][, District Taxation Officer Inland Revenue], Assistant Commissioner Inland Revenue [1][, Assistant Director Audit Inland Revenue], Superintendent Inland Revenue, Inland Revenue Audit Officer, Inland revenue Officer, [7][Inspector Inland Revenue Officer] an officer of Inland Revenue with any other designation shall be sub-ordinate to the Additional Commissioner Inland Revenue.]

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[1] Word "and" omitted by Finance Act, 2011.

[2] Clause "(ia)" inserted by Finance Act, 2011

[3] Sub-sections (2A) & (2B) inserted through Finance Act, 2017

[4] Expressions inserted through Finance Act, 2017

[5] Comma and words inserted by Finance Act, 2011.

[6] Expression inserted through Finance Act, 2017

[7] Comma and words inserted by Finance Act, 2011.

[1][**30A. Directorate General (Intelligence and Investigation), Inland Revenue.–**(1) The Directorate General (Intelligence and Investigation) Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, [2][appoint].

(2) The Board may, by notification in the official Gazette,–

(a) specify the functions and jurisdiction of the Directorate General and its officers; and

(b) confer the powers of authorities specified in section 30 upon the Directorate General and its officers.]

[3][**30B. Directorate General [4][...] Internal Audit.–** The Directorate General [2][...] Internal Audit shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

[5][**30C. Directorate General of Training and Research.--**The Directorate General of Training and Research shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

[6][**30D. Directorate General of Valuation [7][...].--**The Directorate General of Valuation [5][...] shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

[8][**30DD. Directorate of Post Clearance Audit.–** The Directorate of Post clearance Audit shall consist of a Director and as many Additional Directors, Deputy Directors,

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[1] Section 30A substituted by Finance Act, 2018.
[2] Substituted for the word "post" through Finance Act, 2019.
[3] Section 30B inserted by Finance Act, 2005.
[4] Words "of inspection and" omitted by Finance Act, 2007.
[5] Section 30C inserted by Finance Act, 2005.
[6] Section 30D inserted by Finance Act, 2005.
[7] Words "and Post Clearance Audit" omitted by Finance Act, 2007.
[8] Section 30DD inserted by Finance Act, 2007.

Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

[1][**30DDD. Directorate General of Input Output Co-efficient Organization.-** The Directorate General of Input Output Coefficient Organization (IOCO)-Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.]

[2][**30E. Powers and Functions of Directorate, etc.–** The Board may, by notification in the official Gazette, specify the functions, jurisdiction and powers of the Directorates General as specified in the preceding sections and their officers by notification in the official Gazette.]

**31. Powers.**– An officer of [3][Inland Revenue] appointed under section 30 shall exercise such powers and discharge such duties as are conferred or imposed on him under this Act; and he shall also be competent to exercise all powers and discharge all duties conferred or imposed upon any officer subordinate to him:

Provided that, notwithstanding anything contained in this Act or the rules, the Board may, by general or special order, impose such limitations or conditions on the exercise of such powers and discharge of such duties as it deems fit.

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[1] New section 30DDD added through Finance Act, 2016.
[2] Section 30E inserted by Finance Act, 2005.

[3] Substituted for "sales tax" by Finance Act, 2010 w.e.f June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No.III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259

[1][**32. Delegation of powers.**– [2][(1) The Board or the Chief Commissioner, with the approval of the Board, may, by an order and subject to such limitations or conditions as may be specified therein, empower by name or designation –

[(a) any Additional Commissioner Inland Revenue or Deputy Commissioner Inland Revenue to exercise any of the powers of a Commissioner Inland Revenue under this Act; and

(b) any Deputy Commissioner Inland Revenue or Assistant Commissioner Inland Revenue to exercise any of the powers of an Additional Commissioner Inland Revenue under this Act;

(c) any Assistant Commissioner Inland Revenue to exercise any of the powers of a Deputy Commissioner Inland Revenue under this Act; and

(d) any other officer of Inland Revenue to exercise any of the powers of an Assistant Commissioner Inland Revenue under this Act.]

[3][(2) ***]

(3) The officer to whom any powers are delegated under this section shall not further delegate such powers.]

[4][**32A.** [5][**Audit by Special Audit Panels**].— [6][(1) The Board may appoint as many special audit panels as may be necessary, comprising two or more members from the following, –

(a) an officer or officers of Inland Revenue;

(b) a firm of chartered accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961);

(b) a firm of cost and management accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966); or

(d) any other person as directed by the Board,

[1] Section 32 substituted by Finance Act, 1996.

[2] Sub Section (1) substituted by Finance Act, 2010 w.e.f. June 5, 2010. Earlier clause (a) to (d) substituted by Finance (2) omitted by the Finance Act, 2010

[3] Sub Section (2) omitted by the Finance Act, 2010.

[4] Section 32A inserted by Finance Act, 1998.

[5] Substituted for the words "Special Audit by Chartered Accountants or Cost Accountants" by Finance Act, 2015

[6] Substituted for sub-section (1) by Finance Act, 2015

to conduct audit of a registered person or persons, including audit of refund claims and forensic audit and the scope of such audit shall be determined by the Board or the Commissioner Inland Revenue on a case-to-case basis. In addition, the Board may, where it considers appropriate, also get such audit conducted jointly with similar audits being conducted by provincial administrations of sales tax on services.]

(2) Notwithstanding that records of a registered person have been audited by an officer appointed under section 30, the Board or a [1][Commissioner] may direct [2][special audit panel] appointed under sub-section (1) to audit the records of any registered person.

(3) [3][Every member of special audit panel] appointed under sub-section (1), shall have the powers of an officer of [4][Inland Revenue] under sections 25, 37 and 38.

[5][(4) Each special audit panel shall be headed by a chairman who shall be an officer of Inland Revenue.

(5) If any one member of the special audit panel, other than the chairman, is absent from conducting an audit, the proceedings of the audit may continue and the audit conducted by the special audit panel shall not be invalid or be called in question merely on the ground of such absence.

(6) The Board may prescribe rules in respect of constitution, procedure and working of special audit panel.]

[6][**32AA**. ***]

[1] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010 dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary part I at pages 229 to 259.

[2] Substituted for the words "an auditor" by Finance Act, 2015

[3] Substituted for the words "An Auditor" by Finance Act, 2015

[4] Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010.The same was made by Finance (Amendment) Ordinance, 2010, promulgated as ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part-I at Pages 229 to 259.

[5] Sub-sections (4), (5) and (6) inserted by Finance Act, 2015.

[6] Section 32 AA omitted by Finance Act, 2008, earlier it was inserted by Tax Laws Amendment Ordinance, 2000, dated may 24, 2000.

## Chapter-VII

## OFFENCES AND PENALTIES

[1]**[33. Offences and penalties.**– [2][...] Whoever commits any offence described in column (1) of the Table below shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty mentioned against that offence in column (2) thereof: –

**TABLE**

| Offences | Penalties | Section of the Act to which offence has reference |
|---|---|---|
| (1) | (2) | (3) |
| 1. Where any person fails to furnish a return within the due date. | Such person shall pay a penalty of [3][ten] thousand rupees:<br><br>Provided that in case a person files a return within [4][ten] days of the due date, he shall pay a penalty of [5][two] hundred rupees for each day of default. | 26 |
| 2. Any person who fails to issue an invoice when required under this Act. | Such person shall pay a penalty of five thousand rupees or three *per cent* of the amount of the tax involved, whichever is higher. | 23 |
| 3. Any person who un-authorizedly issues an invoice in which an amount of tax is specified. | Such person shall pay a penalty of ten thousand rupees or five *per cent* of the amount of the tax involved, whichever is higher. | 3, 7 and 23 |
| 4. Any person who fails to notify the changes of material nature in the particulars of registration of taxable activity. | Such person shall pay a penalty of five thousand rupees. | 14 |
| 5. Any person who fails to deposit the amount of tax due or any part thereof in the time or | Such person shall pay a penalty of ten thousand rupees or five *per cent* of the amount of the tax involved, whichever is higher: | 3, 6, 7 and 48 |

[1] Section 33 substituted by Finance Act, 2005.
[2] Bracket and figure "one" omitted by Finance Act, 2008.
[3] Substituted for the word "five" by Finance Act, 2019..
[4] Substituted for the word "fifteen" by Finance Act, 2015.
[5] Substituted for the word "one" by Finance Act, 2019.

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| manner laid down under this Act or rules or orders made there under. | Provided that, if the amount of tax or any part thereof is paid within [1][ten] days from the due date, the defaulter shall pay a penalty of five hundred rupees for each day of default:<br>Provided further that no penalty shall be imposed when any miscalculation is made for the first time during a year:<br>Provided further that if the amount of tax due is not paid even after the expiry of a period of sixty days of issuance of the notice for such payments by an officer of [2][Inland Revenue, not below the rank of Assistant Commissioner Inland Revenue], the defaulter shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both. | |
| 6. Any person who repeats erroneous calculation in the return during a year whereby amount of tax less than the actual tax due is paid. | Such person shall pay a penalty of five thousand rupees or three *per cent* of the amount of the tax involved, whichever is higher. | 7 and 26 |
| 7. Any person who is required to apply for registration under this Act fails to make an application for registration before making taxable supplies. | Such person shall pay a penalty of ten thousand rupees or five *per cent* of the amount of tax involved, whichever is higher:<br>Provided that such person who is required to get himself registered under this Act, fails to get registered within sixty days of the commencement of taxable activity, he shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the amount of tax involved, or with both. | 14 |
| 8. Any person who fails to maintain records | Such person shall pay a penalty of ten thousand rupees or five *per cent* of the | 22 and 24 |

[1] Substituted for the word "fifteen" by Finance Act, 2015.
[2] Substituted for "Sales tax", not below the rank of Assistant Collector of sales tax" by Finance Act, 2010

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| required under this Act or the rules made there under. | amount of tax involved, whichever is higher. | |
| 9. Where a registered person who, without any reasonable cause, in non compliance with the provisions of section 25, – –<br>(a) fails to produce the record on receipt of first notice;<br>(b) fails to produce the record on receipt of second notice; and<br>(c) fails to produce the record on receipt of third notice. | such person shall pay a penalty of five thousand rupees;<br>such person shall pay a penalty of ten thousand rupees; and<br>such person shall pay a penalty of fifty thousand rupees. | 25 |
| 10. Any person who fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26. | Such person shall pay a penalty of ten thousand rupees. | 26 |
| 11. Any person who, –<br>(a) submits a false or forged document to any [1][officer of [2][Inland revenue]; or<br>(b) destroys, alters, mutilates or falsifies the records including a sales tax invoice; or<br>(c) Knowingly or fraudulently makes false statement, false declaration, false representation, false personification, gives any false information or issues or uses a | Such person shall pay a penalty of twenty five thousand rupees or one hundred *per cent* of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the amount of tax involved, or with both. | 2(37) and General |

[1] Any reference to "officer of Sales Tax" shall be construed as reference to an 'officer of Inland Revenue" by virtue of Section 72A of the Sales Tax Act, 1990.

[2] Substituted for the words "Sales Tax" by the Finance Act, 2010

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| document which is forged or false. | | |
| 12. Any person who denies or obstructs the access of an authorized officer to the business premises, registered office or to any other place where records are kept, or otherwise refuses access to the stocks, accounts or records or fails to present the same when required under section 25, 38 [1][38A or 40B]. | Such person shall pay a penalty of twenty five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the loss of tax involved, or with both. | 25, 38 , [2][38A and 40B] |
| 13. Any person who commits, causes to commit or attempts to commit the tax fraud, or abets or connives in commissioning of tax fraud. | Such person shall pay a penalty of twenty five thousand rupees or one hundred *per cent* of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years, or with fine which may extend to an amount equal to the loss of tax involved, or with both. | 2(37) |
| 14. Where any person violates any embargo placed on removal of goods in connection with recovery of tax. | Such person shall pay a penalty of twenty five thousand rupees or ten *per cent* of the amount of the tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to amount equal to the amount of tax involved, or with both. | 48 |
| 15. Any person who obstructs the authorized officer in the performance of his official duties. | Such person shall pay a penalty of twenty five thousand rupees or one hundred *per cent* of the amount of tax involved, whichever is higher. | 31 and General |
| 16. Any person who fails to make payment in the manner prescribed under section 73 of | Such person shall pay a penalty of five thousand rupees or three *per cent* of the amount of tax involved, whichever is higher. | 73 |

[1] Substituted for "or 38A" by Finance Act, 2009

[2] Substituted for "or 38A" by Finance Act, 2009

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| this Act. | | |
| 17. Any person who fails to fulfil any of the conditions, limitations or restrictions prescribed in a Notification issued under any of the provisions of this Act. | Such person shall pay a penalty of five thousand rupees or three *per cent* of the amount of tax involved, whichever is higher. | 71 and General |
| 18. Where any officer of [1][Inland Revenue] authorized to act under this Act, acts or omits or attempts to act or omit in a manner causing loss to the sales tax revenue or otherwise abets or connives in any such act. | Such officer of [2][Inland Revenue] shall be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to three years, or with fine which may extend to amount equal to the amount of tax involved, or with both. | General |
| 19. Any person who contravenes any of the provision of this Act [3][or the rules made thereunder] for which no penalty has, specifically, been provided in this section. | Such person shall pay a penalty of five thousand rupees or three *per cent* of the amount of tax involved, whichever is higher. ] | General.] |
| [4][ 20. *** ] | | |
| [5][21. Where any person repeats an offence for which a penalty is provided under this Act | Such person shall pay twice the amount of penalty provided under the Act for the said offence | General. |
| 22. Any person who,-<br>(a) knowingly and without lawful authority gains access to or attempts to gain | Such person shall pay a penalty of twenty-five thousand rupees or one hundred *per cent* of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by the Special Judge, to imprisonment for a term which may extend to one | 50A.] |

[1] Words "Sales Tax" substituted for Inland Revenue by Finance (Amended) Ordinance, 2010.

[2] Substituted for "Sales Tax" by Finance Act, 2010

[3] Words added through Finance Act, 2016.

[4] Serial No. 20 omitted by Finance Act, 2008.

[5] Serial No. 21 and 22 inserted by Finance Act, 2006.

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| access to the computerized system; or<br><br>(b) unauthorizedly uses or discloses or publishes or otherwise disseminates information obtained from the computerized system; or<br><br>(c) falsifies any record or information stored in the computerized system; or<br><br>(d) knowingly or dishonestly damages or impairs the computerized system; or<br><br>(e) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the computerized system is kept or stored; or<br><br>(f) unauthorizedly uses unique user identifier of any other registered user to authenticate a transmission of information to the computerized system; or | year, or with fine which may extend to an amount equal to the loss of tax involved, or with both. | |

| | | |
|---|---|---|
| (g) fails to comply with or contravenes any of the conditions prescribed for security of unique user identifier. | | |
| [1][23. Any person who manufactures, possesses, transports, distributes, stores or sells cigarette packs with counterfeited tax stamps, banderoles, stickers, labels or barcodes or without tax stamps, banderoles, stickers, labels or barcodes | (i) Such cigarette stock shall be liable to outright confiscation and destruction. Any person committing the offence shall pay a penalty of twenty-five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special Judge, to simple imprisonment for a term which may extend to three years, or with additional fine which may extend to an amount equal to the loss of tax involved, or with both.<br>(ii) In case of transport of cigarettes with counterfeited tax stamps, banderoles, stickers, labels or barcodes, or without tax stamps, banderoles, stickers, labels or barcodes, permanent seizure of the vehicle used for transportation of non-conforming or counterfeit cigarette packs; and<br>(iii) In case of repeat sale of cigarettes without or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, the premises used for such sale be sealed for a period not exceeding fifteen days. | 40C(2)] |

[2]**[33A. Proceedings against authority and persons.**–(1) Subject to section 51, the Board shall prescribe rules for initiating criminal proceedings against any authority mentioned in sections 30 to 30DDD, including any officer or official subordinate to the aforesaid authority, who wilfully and deliberately commits or omits an act which results in undue benefit or advantage to the authority or the officer or official or to any other person.

[1] S.No. 23 and entries relating thereto in columns (1), (2) and (3) inserted through Finance Act, 2017
[2] New section 33A added by Finance Act, 2019.

(2) Where proceedings under sub-section (1) have been initiated against the authority or officer or official, the Board shall simultaneously intimate the relevant Government agency to initiate criminal proceedings against the person referred to in sub-section (1).

(3) The proceedings under this section shall be without prejudice to any other liability that the authority or officer or official or the person may incur under any other law for the time being in force.]

[1]**[34. Default Surcharge.–** (1) Notwithstanding the provisions of section 11, if a registered person does not pay the tax due or any part thereof, whether wilfully or otherwise, in time or in the manner specified under this Act, rules or notifications issued thereunder or claims a tax credit, refund or makes an adjustment which is not admissible to him, or incorrectly applies the rate of zero *per cent* to supplies made by him, he shall, in addition to the tax due, pay default surcharge at the rate mentioned below:—

(a) [2][...] the person liable to pay any amount of tax or charge or the amount of refund erroneously made, shall pay default surcharge at the rate of [3][twelve per cent per annum], of the amount of tax due or the amount of refund erroneously made; [4][and]

[5][(b) ***]

(c) in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of two *per cent* per month, of the amount of tax evaded or the amount of refund fraudulently claimed, till such time the entire liability including the amount of default surcharge is paid.

(2) For the purpose of calculation of default surcharge, –

(a) in the case of inadmissible input tax credit or refund, the period of default shall be reckoned from the date of adjustment of such credit or, as the case may be, refund is received; and

(b) in the case of non-payment of tax or part thereof, the period of default shall be reckoned from the 16th day of a month (following the due date

[1] Section 34 substituted by Finance Act, 2005. Earlier it was also substituted by Finance Act, 1996.
[2] Words and comma "for the first six months of default," omitted by Finance Act, 2008.
[3] Words twelve substituted by Finance Act, 2018.
[4] Word inserted by Finance Act, 2008.

[5] Clause (b) omitted by Finance Act, 2008.

of the tax period to which the default relates) to the day preceding the date on which the tax due is actually paid.

***Explanation*.–** For the purpose of this section tax due does not include the amount of penalty.

[1][**34A. Exemption from penalty and** [2][**default surcharge**].--The Federal Government may, by a notification in the official Gazette, or the [3][Board] by a special order published in Gazette for reasons to be recorded in writing, exempt any person or class of persons from payment of the whole or part of the penalty and [4][default surcharge] imposed under sections 33 and 34 subject to such conditions and limitations as may be specified in such notification or, as the case may be, special order.]

[5][**35.** ***]

[6][**35A.** ***]

[7][**36. *****]

**37. Power to summon persons to give evidence and produce documents in inquiries under the Act.–** (1) Any officer of [8][Inland Revenue] shall have powers to summon any person whose attendance he considers necessary either to tender evidence or to produce documents or any other thing in any inquiry which such officer is making for any of the purposes of this Act.

(2) Any person summoned under sub-section (1) shall be bound to attend either in person or by an authorised agent, as the officer of [4]**[**Inland Revenue**]** may direct;

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[1] Section 34A substituted by Finance Ordinance 2001. Earlier it was inserted by Sales Tax (Amendment) Act, 1999 which comes into force from the first day of December, 1998. Earlier the same was amendment was made by Sales Tax (Second Amendment) Ordinance, 1988, dated 01-12-1998.

[2] Substituted for "additional tax" by Finance Act, 2005

[3] Substituted for "Central Board of revenue" by Finance Act, 2007

[4] Substituted for "additional tax" by Finance Act, 2005

[5] Section 35 omitted by Finance Act, 1996.

[6] Section 35A omitted by Finance Act, 1996. Earlier it was inserted by Finance Act, 1992.

[7] Section 36 omitted by Finance Act, 2012. Earlier it was substituted by Finance Act, 1996. Before this it was substituted by the Finance Act, 1994.

[8] Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

Provided that a person who is exempted from personal appearance in a court under section 132 and 133 of the Code of Civil Procedure (Act V of 1908), shall not be required to appear in person.

(3) Any inquiry before an officer of [1]**[**Inland Revenue**]** shall be deemed to be a judicial proceeding within the meaning of section 193 and [2][228] of the Pakistan Penal Code (Act XLV of 1860).

[3]**[37A. Power to arrest and prosecute.--** (1) An officer of [4][Inland Revenue not below the rank of an Assistant Commissioner of Inland Revenue] or any other officer of equal rank authorised by the [5][Board] in this behalf, who on the basis of material evidence has reason to believe that any person has committed a tax fraud [6][or any offence warranting prosecution under this Act] [7][…], [8][may cause arrest of such person.]

(2) All arrests made under this Act shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).

[9][(3) ***]

(4) Notwithstanding anything contained in sub-section (1) to subsection (3) or any other provision of this Act, where any person has committed a tax fraud [10][or any offence

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[1] Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[2] Substituted for the figure "223" by Finance Act, 1994

[3] Section 37A substituted by Finance Act, 1996.

[4] Substituted for "sales tax", not below the rank of an Assistant Collector of Sales tax by Finance Act, 2010 w.e.f June 5, 2010, the same amendment was made by Finance (amendment) Ordinance, 2010, promulgated as Ordinance No.III of 2010, dated February 6, 2010, published in the Official Gazette of Pakistan Extraordinary part I at pages 23 to 53.

[5] Substituted for "Central Board of Revenue" by Finance Act, 2007

[6] Words inserted by Finance Act, 2007.

[7] Words "in respect of a supply or supplies made by him" omitted by Finance Act, 2007.

[8] Substituted for the words "may arrest such person" by Finance Act, 2003

[9] Sub-section (3) omitted by Finance Act, 2005.

[10] Words inserted by Finance Act, 2007.

warranting prosecution under this Act], the [1][Commissioner] may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such [2][default surcharge] and penalty as is determined under the provisions of this Act.

(5) Where the person suspected of tax fraud [3][or any offence warranting prosecution under this Act] is a company, every director or officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing the tax fraud [4][or any offence warranting prosecution under this Act] shall be liable to arrest; provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, [5][default surcharge] and penalty imposed under this Act.]

[6][**37B. Procedure to be followed on arrest of a person.--** (1) When [7][an officer of Inland Revenue] authorized in this behalf arrests a person under Section 37A, he shall immediately intimate the fact of the arrest of that person to the Special Judge who may direct such Officer to produce that person at considers such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.

(2) Notwithstanding anything contained in the sub-section (1), any person arrested under this Act shall be produced before the Special Judge or, if there is no Special Judge within a reasonable distance, to the nearest Judicial Magistrate, within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate.

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[1] Substituted for "Collector" by Finance Act, 2010 w.e.f. june5, 2010, the same amendment was made by Finance (Amendment) Ordinance 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[2] Substituted for "additional tax" by Finance Act, 2005

[3] Words inserted by Finance Act, 2007.

[4] Words inserted by Finance Act, 2007.

[5] Substituted for "additional tax" by Finance Act, 2005

[6] Section 37B inserted by Finance Act, 1995.

[7] Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

(3) When any person is produced under sub-section (2) before the Special Judge, he may, on the request of such person, after perusing the record, if any and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bond, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit:

Provided that nothing herein contained shall preclude the Special Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considered that the affording of such opportunity shall defeat the purposes of this Act.

(4) When such person is produced under sub-section (2) before a Judicial Magistrate, such Magistrate may, after authorising his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge, direct his production before the Special Judge on a date and time to be fixed by him or direct such person to be forthwith taken to, and produced before, the Special Judge and he shall be so taken.

(5) Nothing in sub-section (3) or sub-section (4) shall preclude the Special Judge or the Judicial Magistrate from remanding any such person to the custody of [1][an officer of Inland Revenue] holding inquiry against that person if such officer makes a request in writing to that effect, and the Special Judge or the Judicial Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order:

Provided that in no case the period of such custody shall exceed fourteen days.

(6) When any person is arrested under this Act, [2][an officer of Inland Revenue] shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty-four hours of his arrest, excluding the time

[1] Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.
[2] Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.

necessary for journey as aforesaid, he may, after producing such person before the Special Judge or the nearest Judicial Magistrate, make a request for his further detention in his custody.

(7) While holding an inquiry under sub-section (6), [1][an officer of Inland Revenue] shall exercise the same powers as are exercisable by an officer in charge of a police station under the Code of Criminal Procedure, 1898 (Act V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Act.

(8) If [2][an officer of Inland Revenue], after holding an inquiry as aforesaid, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.

(9) The Special Judge to whom a report has been made under sub-section, (8) may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence.

(10) [3][An officer of Inland Revenue] empowered to hold inquiry under this section shall maintain a register to be called "Register of Arrests and Detentions" in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Act, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody**,** the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been

[1] Substituted for the words “the Sales Tax Officer” through Finance Act, 2019.
[2] Substituted for the words “the Sales Tax Officer” through Finance Act, 2019.
[3] Substituted for the words “the Sales Tax Officer” through Finance Act, 2019.

conducted from day to day; and, such register or authenticated copies of its aforesaid entries shall be produced before the Special Judge, whenever such Officer is so directed by him.

(11) After completing the inquiry, [1][an officer of Inland Revenue] shall, as early as possible, submit to Special Judge a complaint in the same form and manner in which the officer incharge of a police station submits a report, before a court.

(12) Magistrate of the first class may record any statement or confession during inquiry under this Act, in accordance with the provisions of Section 164 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(13) Without prejudice to the foregoing provisions of this section, [2][Board, with the approval of the Federal Minister-in-charge,] may, by notification in the official Gazette, authorize any other officer working under the [3][Board] to exercise the powers and perform the functions of [4][an officer of Inland Revenue] under this section, subject to such conditions, if any, that it may deem fit to impose.]

[5][**37C. Special Judges.–** (1) The Federal Government may by notification in the official Gazette, appoint as many Special Judges as it considers necessary and, where it appoints more than one Special Judge, it shall specify in the notification the headquarter of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Act.

(2) No person shall be appointed as a Special Judge unless he is or has been a Sessions Judge.]

[6][**37D. Cognizance of Offences by Special Judges.– (1)** Notwithstanding anything contained in this Act or any other law for the time being in force, a Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable under this Act:

[1] Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.
[2] The expression substituted for the words "Federal Government" through Finance Act, 2019.
[3] Substituted for "Central Board of Revenue" by Finance Act, 2007
[4] Substituted for the words "the Sales Tax Officer" through Finance Act, 2019.
[5] Section 37C inserted by Finance Ac, 2010 earlier a different section 37C was omitted by Finance Act, 2005 which was inserted by Finance Act, 1997.

[6] Section 37D to 371 inserted by Finance Act, 2010.

(a) Upon a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government; or

(b) Upon receiving a complaint or information of facts constituting such offence made or communicated by any person; or

(c) Upon his own knowledge acquired during any proceeding before him under this act or under any other law for the time being in force.

(2) Upon the receipt of report under clause (a) of sub-section (1), the Special Judge shall proceed with trial of the accused.

(3) Upon the receipt of a complaint or information under clause (b), or acquired in the manner referred to in clause (c) of sub-section (1), the Special Judge may, before issuing a summon or warrant for appearance of the person complained against, hold a preliminary inquiry for the purpose of ascertaining the truth or falsehood of the complaint, or direct any magistrate or any officer of Inland Revenue or any police officer to hold such inquiry and submit a report, and such Magistrate or officer shall conduct such inquiry and make report accordingly.

(4) If, after conducting such inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that– –

(a) there is no sufficient ground for proceeding, he may dismiss the complaint, or

(b) there is sufficient ground for proceeding, he may proceed against the person complained against in accordance with law.

(5) A special Judge or a Magistrate or an officer holding inquiry under sub-section (3) may hold such inquiry, as early as possible, in accordance with the provision of section 202 of the Code of Criminal Procedure, 1898 (Act V of 1898).

**37E. Special Judge, etc. to have exclusive jurisdiction.–** Notwithstanding anything contained in this Act or in any other law for the time being in force,–

(a) no court other than the Special Judge having jurisdiction, shall try an offence punishable under this Act;

(b) no other court or officer, except in the manner and to the extent specifically provided for in this Act, shall exercise any power, or perform any function under this Act;

(c) no court, other than the High Court, shall entertain, hear or decide any application, petition or appeal under chapters XXXI and XXXII of the Code of Criminal Procedure, 1898 (Act V of 1898), against or in respect of any order or direction made under this Act; and

(d) no court, other than the Special Judge or the High Court, shall entertain any application or petition or pass any order or give any direction under chapters XXXVII, XXXIX, XLIV or XLV of the aforesaid Code.]

**37F. Provisions of Code of Criminal Procedure, 1898, to apply**.– (1) The provision of the Code of Criminal procedure, 1898 (Act V of 1898), so far as they are not inconsistent with the provisions of this Act, shall apply to the proceedings of the court of a Special Judge and such court shall be deemed to be a court of Sessions for the purpose of the said Code and the provisions of Chapter XXIIA of the foresaid Code, so far as applicable and with the necessary modifications, shall apply to the trial of cases by the Special Judge under this Act.

(2) For the purposes of sub-section (1), the Code of Criminal Procedure, 1898 (Act V of 1898), shall have effect as if an offence punishable under this Act were one of the offences referred to in sub-section (1) of section 337 of the said Code.

**37G. Transfer of cases**.– (1) Where more than one Special Judge are appointed within the territorial jurisdiction of a High Court, the High Court, and where not more than one Special Judge is so appointed, the Federal Government, may by order in writing direct the transfer, at any stage of the trial, of any case from the court of one Special Judge to the Court of another Special Judge for disposal, whenever it appears to the High Court or, as the case may be, the Federal Government, that such transfer may promote the ends of justice or tend to the general convenience of the parties or witnesses.

(2) In respect of a case transferred to a Special Judge under sub-section (1), such Special Judge shall not by reason of the said transfer, be bound to recall and rehear any witness whose evidence has been recorded in the case before the transfer and may act upon the evidence already recorded or produced before the court which tried the case before the transfer.]

**37H. Place of Sittings**.– A Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.

**37I. Appeal to the High Court**.– (1) Any person, including the Federal Government, the Board, the Commissioner or Director of Intelligence and Investigation or any other officer authorized in this behalf by the Board, aggrieved by any order passed or decision made by a Special Judge under this Act or under the Code of Criminal Procedure, 1898 (Act V of 1898), may, subject to the provisions of Chapters XXXI and XXXII of the said Code, within Sixty days from the date of the order or decision, prefer an appeal to the High Court.

(2) Except as otherwise provided in sub-section (1), the provisions of the Limitation Act, 1908 (IX of 1908), shall apply to an appeal preferred under sub-section (1).]

[1][**38. Authorised officers to have access to premises, stocks, accounts and records** – (1) Any officer authorised in this behalf by the Board [2][or the Commissioner [3][***]] shall have free access to business or manufacturing premises, registered office or any other place where any stocks, business records or documents required under this Act are kept or maintained belonging to any registered person or a person liable for registration or whose business activities are covered under this Act or who may be required for any inquiry or investigation in any tax fraud committed by him or his agent or any other person; and such officer may, at any time, inspect the goods, stocks, records, data, documents, correspondence, accounts and statements, utility bills, bank statements, information regarding nature and sources of funds or assets with which his business is financed, and any other records or documents, including those which are required under any of the Federal, Provincial or local laws maintained in any form or mode and may take into his custody such records, statements, diskettes, documents or any part thereof, in original or copies thereof in such form as the authorised officer may deem fit against a signed receipt.

(2) The registered person, his agent or any other person specified in sub-section (1) shall be bound to answer any question or furnish such information or explanation as may be asked by the authorised officer.

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[1] Section 38 Substituted by Finance Act, 1996.

[2] Words inserted by Finance Act, 2010 w.e.f. June 5, 2010.

[3] The words "or the Collector" were omitted by Finance Act, 2009.

(3) The department of' direct and indirect taxes or any other Government department, local bodies, autonomous bodies, corporations or such other institutions shall supply requisite information and render necessary assistance to the authorised officer in the course of inquiry or investigation under this section.]

[1]**[38A. Power to call for information.—** The [2][Commissioner] may, by notice in writing, require any person, including a banking company, to furnish such information or such statement in connection with any investigation or inquiry in cases of tax fraud, as may be specified in such notice [3][:]]

[4][Provided that the [5][Commissioner] may require any regulatory authority to provide information concerning the licenses and authorizations issued by it.]

[6]**[38B. Obligation to produce documents and provide information.–** (1) Notwithstanding anything contained in this Act or any other law for the time being in force, any person required to maintain the record under the Act, on demand by an officer, not below the rank of [7][an Assistant] [8][Commissioner Inland Revenue] , by notice in writing, as and when specified in the notice, shall,–

(a) produce for examination, such documents or records which the officer of [9][Inland Revenue] considers necessary or relevant to the audit, inquiry or investigation under the Act;

(b) allow the officer of [10][Inland Revenue] to take extracts from or copies of such documents or records; and

(c) appear before the officer of [11][Inland Revenue] and answer any question put to him concerning the documents and records relating to the audit or inquiry or investigation referred to in clause (a) above.

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[1] Section 38A inserted by Finance Act, 2004.
[2] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.
[3] Substituted for full stop by Finance Act, 2007
[4] Proviso inserted by Finance Act, 2007.
[5] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010
[6] Section 38B inserted by Finance Act, 2006.
[7] Substituted for "a Deputy" by Finance Act, 2011
[8] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010
[9] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the Gazette of Pakistan Extra Ordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009 published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.
[10] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010
[11] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

(2) An officer of [1][Inland Revenue] conducting an audit, inquiry or, as the case may be, an investigation under the Act, may require in writing any person, department, company or organization to furnish such information as is held by that person, department, company or organization, which, in the opinion of the officer of [2][Inland Revenue], is relevant to such audit, inquiry or investigation.

(3) The Board may require, in writing, any person, department, company or organization, as the case may be, to provide any information or data held by that person, department, company or organization, which, in the opinion of the Board, is required for purposes of formulation of policy or administering the Customs, Sales Tax, Federal Excise or Income Tax.

(4) Every person, department, company or organization shall furnish the information requisitioned by the Board or the officer of Sales Tax under sub-section (2) or (3), within the time specified in the notice issued by the Board or, as the case may be, the officer of [3][Inland Revenue].]

[4][**39.** ***]

[1] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[2] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010
[3] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[4] Section 39 omitted by Finance act, 1996.

[1]**[40. Searches under warrant.–** (1) Where any officer of [2][Inland Revenue] has reason to believe that any documents or things which in his opinion, may be useful for, or relevant to, any proceedings under this Act are kept in any place, he may after obtaining a warrant from the magistrate, enter that place and cause a search to be made at any time.

2) The search made [3][in his presence] under sub-section (1) shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (V of 1898).]

[4][**40A. *****]

[5][**40B. Posting of [6][Inland Revenue] Officer.–** Subject to such conditions and restrictions, as deemed fit to impose, the [6][Board], [7][omitted..] may post Officer of [6][Inland Revenue] to the premises of registered person or class of such persons to monitor production, sale of taxable goods and the stock position [8][.] [9]**[**omitted**..]**

[10][**40C. Monitoring or Tracking by Electronic or other means.–** (1) Subject to such conditions, restrictions, and procedures, as it may being fit to impose or specified, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any good or class of goods in respect of which monitoring or tracking of production, sales, clearances, stocks or any other related activity may be implemented through electronic or other means as may be prescribed

(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp,

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[1] Section 40 substituted by Finance Act, 2004.

[2] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[3] The word and comma, inserted by the Finance Act, 2005

[4] Section 40A omitted by Finance Act, 2006.

[5] Section 40B inserted by Finance Act, 2003.

[6] Substituted for "Central Board of revenue" by Finance Act, 2007

[7] Words "or Chief Commissioner" omitted by Finance Act, 2018.

[8] Colon omitted and full stop inserted by Finance Act, 2018.

[9] Proviso and explanation omitted by Finance Act, 2018.

[10] Section 40C inserted by Finance Act, 2013.

bandrole stickers, labels, [1][barcodes,] etc. in any such form, style and manner as may be prescribed by the Board in this behalf.]

[2][(3) Such tax stamps, banderols, stickers, labels, barcodes *etc*., shall be acquired by the registered person referred to in sub-section (2) from a licensee appointed by the Board for the purpose, against price approved by the Board, which shall include the cost of equipment installed by such licensee in the premises of the said registered person.]

[3][**41.** ***

**42. ***]

## Chapter-VIII

## [4][APPEALS]

[5][**43. ***

**44. ***]

[6][**45. ***]

[7][**45A. Power of the Board [8][and [9][Commissioner]] to call for records.--** (1) The Board may, of its own motion [10][, or otherwise] call for and examine the record of any

[1] Word and comma inserted by Finance Act, 2015

[2] Sub-section (3) added by Finance Act, 2015.

[3] Sections 41 and 42 omitted by Finance Act, 1996

[4] Heading of chapter Adjudication substituted for cases by finance act 1996

[5] Sections 43 and 44 omitted by Finance Act, 1996

[6] Section 45 omitted by Finance Act, 2010

[7] Section 45A added by Finance Act, 1993.

[8] Substituted for "Collector and Collector (Adjudication)" by Finance Act, 2005. Earlier these were substituted for "and Collector" by Finance Act, 2003.

[9]Substituted for "Collector" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, published in the Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extra Ordinary Part I at pages 229 to 259.

[10] Words inserted by Finance Act, 2015.

departmental proceedings under this Act or the rules made there under for the purpose of satisfying itself as to the legality or propriety of any decision or order passed therein by an Officer of [1][Inland Revenue], it may pass such order as it may think fit:

Provided that no order imposing or enhancing any penalty or fine requiring payment of a greater amount of [Sales Tax] than the originally levied shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

(2) No proceeding under [2][this section] shall be initiated in a case where an appeal under Section [3][45B] or Section 46 is pending.

(3) No order shall be made under this Section after the expiry of [4][five] years from the date of original decision or order of the sub-ordinate officer referred to in sub-section (1).

[5][(4) The [6][Commissioner] may, *suo moto*, call for and examine the record of any proceeding under this Act or the rules made thereunder for the purpose of satisfying himself as to the legality or propriety of any decision or order passed by an officer of [7][Inland Revenue] subordinate to him, and pass such order as he may deem fit.]]

[8]**[45B. Appeals.–** [9][(1) Any person, other than the Sales Tax Department, aggrieved by any decision or order passed under sections 10, 11, 25, 36, or 66, by an officer of Inland Revenue may, within thirty days of the date of receipt of such decision or order, prefer appeal to the Commissioner Inland Revenue (Appeals):

Provided that an appeal preferred after the expiry of thirty days may be admitted by the Commissioner Inland Revenue (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period:

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[1] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[2] Substituted for "sub-section (1)" by Finance Act, 2008

[3] Substituted for the figure "45" by Finance Ordinance, 2002

[4] Substituted for "three" by Finance Ordinance, 2000

[5] Sub-section (4) substituted by Finance Act, 2005

[6] Substituted for the word "Collector" by Finance Act, 2010

[7] Substituted for the words "Sales Tax" by Finance, Act, 2010

[8] Section 45B inserted by Finance Ordinance, 2002

[9]Subsection (1) Substituted by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

Provided further that the appeal shall be accompanied by a fee of one thousand rupees to be paid in such manner as the Board may prescribe.]

[1][(1A) Where in a particular case, the Commissioner (Appeals) is of the opinion recovery of tax levied under this act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the commissioner or officer of Inland revenue against whose orders appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.]

(2) The [2][Commissioner Inland Revenue] (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against [3][:]

[4][Provided that such order shall be passed not later than [5][one hundred and twenty] days from the date of filing of appeal or within such extended period as the [6][Commissioner] (Appeals) may, for reasons to be recorded in writing fix:

Provided further that such extended period shall, in no case, exceed [7][sixty] days [8][:]]

[9][Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of aforesaid periods.]

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[1]Inserted through Finance Act, 2013

[2] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259

[3] Colon inserted through Finance, Act, 2005

[4] Two provisos inserted by Finance Act, 2005

[5] Substituted for "ninety" by Finance Act, 2008.

[6] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan

[7] Substituted for "one hundred and twenty" by Finance Act, 2009, earlier it was substituted for "ninety" by Finance Act, 2008.

[8] Substituted for full stop by Finance Act, 2009

[9] Proviso inserted by Finance Act, 2009

(3) In deciding an appeal, the [1][Commissioner of Inland Revenue] (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for *de novo* consideration.

[1][(4) ***]

**46. Appeals to Appellate Tribunal.–** [2][(1) Any person including an officer of [3][Inland Revenue] (not below the rank of an [4][Additional Commissioner], aggrieved by any order passed by– –

(a) the [5][Commissioner Inland Revenue] (Appeals) under section 45B,

(b) the [6][Commissioner Inland Revenue] through adjudication or under any of the provisions of this Act or rules made thereunder,

(c) the Board under section 45A, may, within sixty days of the receipt of such decision or order, prefer appeal to the Appellate Tribunal.]

[7][(2) The Appellate Tribunal may admit, hear and dispose of the appeal as per procedure laid down in sections [8][131 and 132 of the Income tax Ordinance, 2001(XLIX of 2001, and rules made thereunder.]

[9][(2A) All appeals and proceedings under this Act pending before the customs, Excise and Sales Tax Appellate Tribunal Constituted under section 194 of the customs Act 1969(IV of 1969) shall stand transferred to the Appellate Tribunal constituted under section 130 of the Income Tax Ordinance 2001 (XLIX of 2001) with effect from 28th Day of October , 2009.]

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[1]Sub-section (4) omitted y Finance Act, 2006.

[2] Sub Section (1) substituted by Finance Act, 2008. Earlier it was substituted by the Finance ordinance 2002.

[3] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan.

[4] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 05, 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010 published in the Gazette of Pakistan.

[5] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[6] Substituted for "Collector of Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[7] Sub-Section (2) substituted by Finance Act, 2009.

[8] Substituted for "194A, 194B and 194C of the customs Act, 1969 (IV of 1969)" by Finance Act, 2010.

[9] Sub Section (2A) inserted by Finance Act w.e.f. June 5, 2010.

[1][(3) ***

(4) ***

(5) ***

(6) ***

(7) ***

(8) ***

(9) ***]

[2]**[47. Reference to the High Court**.—(1) Within ninety days of the communication of the order of the Appellate Tribunal under sub-section ([3][2]) of section 46, the aggrieved person or any officer of [4][Inland Revenue] not below the rank of an [5][an Additional [Commissioner], authorized by the [6][Commissioner] may prefer an application in the prescribed form along with a statement of the case to the High Court, stating any question of law arising out of such order.

(2) The statement to the High Court referred to in sub-section (1), shall set out the facts, the determination of the Appellate Tribunal and the question of law, which arises out of its order.

(3) Where, on an application made under sub-section (1), the High Court is satisfied that a question of law arises out of the order referred to in sub-section (1), may proceed to hear the case.

(4) A reference to the High Court under this section shall be head by a bench of not less than two judges of the High Court and, in respect of the reference, the provisions of

[1] Sub-sections (3), (4), (5), (6), (7), (8) and (9) omitted by Finance Act, 2009.

[2] Section 47 substituted by Finance Act, 2005. Earlier it was substituted by Finance Act, 1997

[3] Substituted for "5" by Finance Act, 2010 w.e.f. June 05, 2010

[4] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010

[5]Substituted for "Deputy Collector" by Finance Act, 2006

[6] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

section 98 of the Code of Civil Procedure, 1908 (Act V of 1908) shall apply, so far as may be, notwithstanding anything contained in any other law for the time being in force.

(5) The High Court upon hearing a reference under this section shall decide the question of law raised by the reference and deliver judgment thereon specifying the grounds on which such judgment is based and the order of the Tribunal shall stand modified accordingly. The Court shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal.

(6) The cost of any reference to the High Court shall be in the discretion of the Court.

(7) Notwithstanding that a reference has been made to the High Court, the tax shall be payable in accordance with the order of the Appellate Tribunal:

Provided that, if the amount of tax is reduced as a result of the judgment in the reference by the High Court, and amount of tax found refundable by the High Court, the High Court may on application [1][by an Additional [2][Commissioner] authorized] by the [2][Commissioner] within thirty days of the receipt of the judgment of the High Court that he intends to seek leave to appeal to the Supreme Court, make an order authorizing the Collector to postpone the refund until the disposal of the appeal by the Supreme Court.

(8) Where recovery of tax has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the reference is decided, or such order is withdrawn, by the High Court earlier.

(9) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1).

[1] Words inserted by Finance Act, 2006.

[2] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

(10) An application under sub-section (1) by a person other than the [1][Additional [2][Commissioner] authorized by the] [2][Commissioner] shall be accompanied by a fee of one hundred rupees.]

[1][(11) Notwithstanding anything contained in any provision of this Act, where any reference or appeal was filed with the approval of [2][Commissioner] by the officer of lower rank than the [2][Commissioner], and the reference or appeal is pending before an appellate forum or the Court, such reference or appeal shall always be deemed to have been so filed by the [2][Commissioner].

[3][**47A. Alternative Dispute Resolution.—** (1) Notwithstanding any other provision of this Act, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to—

(a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be;

(b) the extent of waiver of default surcharge and penalty; or

(c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a Committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any Court of Law or an Appellate Authority, except where criminal proceedings have been initiated or where interpretation of question of law is involved having effect on other cases.

(2) The Board may, after examination of the application of an aggrieved person, appoint a Committee, within sixty days of receipt of such application in the Board, comprising,—

(i) an officer of Inland Revenue not below the rank of a Commissioner;

(ii) a person to be nominated by the taxpayer from a panel notified by the Board comprising,-

[1] Sub section (11) inserted by Finance Act, 2006.
[2] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010
[3] Section 47A substituted by Finance Act, 2018.

[1][(a) chartered accountants, cost and management accounts and advocates having more than ten years experience in the field of taxation; and]

(b) reputable businessmen as nominated by Chambers of Commerce and Industry:

Provided that the taxpayer shall not nominate a Chartered Accountant or an advocate if the said Chartered Accountant or the advocate is or has been an auditor or an authorized representative of the taxpayer; and

(iii) a retired Judge not below the rank of District and Sessions Judge, to be nominated through consensus by the members appointed under clauses (i) and (ii).

(3) The aggrieved person, or the Commissioner, or both, as the case may be, shall withdraw the appeal pending before any Court of Law or an Appellate Authority, after constitution of the Committee by the Board under sub-section (2).

(4) The Committee shall not commence the proceedings under sub-section (5) unless the order of withdrawal by the Court of Law or an Appellate Authority is communicated to the Board:

Provided that if the order of withdrawal is not communicated within seventy five days of the appointment of the Committee, the said Committee shall be dissolved and provisions of this section shall not apply.

(5) The Committee appointed under sub-section (2) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute by majority, within one hundred and twenty days of its appointment:

Provided that in computing the aforesaid period of one hundred and twenty days, the period, if any, for communicating the order of withdrawal under sub-section (4) shall be excluded.

[1] Sub-clause (a) substituted through Finance Act, 2019.

(6) The recovery of tax payable by a taxpayer in connection with any dispute for which a Committee has been appointed under sub-section (2) shall be deemed to have been stayed on withdrawal of appeal upto the date of decision by the Committee.

(7) The decision of the committee under sub-section (5) shall be binding on the Commissioner and the aggrieved person.

(8) If the Committee fails to decide within the period of one hundred and twenty days under sub-section (5), the Board shall dissolve the Committee by an order in writing and the matter shall be decided by the Court of Law or the Appellate Authority which issued the order of withdrawal under sub-section (4) and the appeal shall be treated to be pending before such a Court of Law or the Appellate Authority as if the appeal had never been withdrawn.

(9) The Board shall communicate the order of dissolution to the Court of Law or the Appellate Authority and the Commissioner.

(10) The aggrieved person, on receipt of the order of dissolution, shall communicate it to the Court of Law or the Appellate Authority which shall decide the appeal within six months of the communication of said order.

(11) The aggrieved person may make the payment of sales tax and other taxes as decided by the Committee under sub-section (5) and all decisions, orders and judgments made or passed shall stand modified to that extent.

(12) The Board may prescribe the amount to be paid as remuneration for the services of the members of the Committee, other than the member appointed under clause (i) of sub-section (2).

(13) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.]

# Chapter-IX

# RECOVERY OF ARREARS

**48. Recovery of arrears of tax**.--(1) [1][Subject to sub-section (1A), where] any amount of tax [2][...] is due from any person, the officer of [3][Inland Revenue] may:-

(a) deduct the amount from any money owing to person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of Income Tax, Customs or Central Excise Department;

(b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom tax may be recoverable to pay to such officer the amount specified in the notice;

(c) stop removal of any goods from the business premises of such person till such time the amount of tax is paid or recovered in full;

[4][(ca) require by a notice in writing any person to stop clearance of imported goods or manufactured goods or attach bank accounts;]

(d) seal the business premises till such time the amount of tax is paid or recovered in full;

(e) attach and sell or sell without attachment any movable or immovable property of the registered person from whom tax is due [5][; and]

(f) [6][...] recover such amount by attachment and sale of any moveable or immovable property of the guarantor, person, company, bank or financial institution, where a guarantor or any other person, company,

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[1] Words etc. "levied, penalty imposed or demand raised under any bond or other instrument executed under this Act" omitted by Finance Ordinance, 2002.

[2] Substituted for "where" by Finance Act, 2007

[3] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[4] Clause (ca) inserted by Finance Act, 1999.

[5] Semi-colon and the word "' and" at the end of clause (e) and thereafter clause (f) inserted by Finance Act, 1997. Earlier it was omitted by Finance Act, 1996. Originally it was inserted by Finance Act, 1994.

[6] Word "may" omitted by Finance Act, 2007.

bank or financial institution fails to make payment under such guarantee, bond or instrument [1][:

Provided that the Commissioner Inland Revenue or any officer of Inland Revenue shall not issue notice under this section or the rules made thereunder for recovery of any tax due from a taxpayer if the said taxpayer has filed an appeal under section 45B in respect of the order under which the tax sought to be recovered has become payable and the appeal has not been decided by the Commissioner (Appeals), subject to the condition that [2][ten] per cent of the amount of tax due has been paid by the taxpayer.]

[3][(1A) If any arrears of tax, default surcharge, penalty or any other amount which is adjudged or payable by any person and which cannot be recovered in the manner prescribed above, the Board or any officer authorized by the Board, may, write off the arrears in the manner as may be prescribed by the Board.]

(2) For the purpose of recovery of tax, penalty or any other demand raised under this Act, the officer of [4][Inland Revenue] shall have the same powers which under the Code of Civil Procedure 1908 (V of 1908), a Civil Court has for the purpose of recovery of an amount due under a decree.

[1] For the full stop a colon substituted and thereafter proviso added through Finance Act, 2017

[2] Word ten substituted by Finance Act, 2018.

[3] Sub-section (1A) inserted by Finance Act, 2007.

[4] Substituted for "Sales Tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

# Chapter-X

# MISCELLANEOUS

[1]**[49. Sales of taxable activity or transfer of ownership**.--(1) In case of termination of taxable activity or part thereof or its sale or transfer of ownership to a non-registered person, the possession of taxable goods or part thereof by the registered person shall be deemed to be a taxable supply and the registered person shall be required to account for and pay the tax on the taxable goods held by him:

Provided that if the tax payable by such registered person remains unpaid, the amount of unpaid tax shall be the first charge on the assets of the business and shall be payable by the transferee of business.

[2][(2) In the case of sale or transfer of ownership of a taxable activity or part thereof to another registered person as an ongoing concern, the taxable goods or part thereof shall be transferred to the new owner through a zero-rated invoice and the sales tax chargeable thereon shall be accounted for and paid by the registered person to whom such taxable activity or part thereof is transferred.]

[3]**[49A. Liquidators. –** (1) Every person (hereinafter referred to as a "liquidator") who is –

(a) a liquidator of a company;
(b) a receiver appointed by a Court or appointed out of Court;
(c) a trustee for a bankrupt; or
(d) a mortgagee in possession;

shall, within fourteen days of being appointed or taking possession of an asset in Pakistan, whichever occurs first, give written notice thereof to the [4][Commissioner]. (2) The [4][commissioner] shall, within three months of being notified under sub-section (1), notify the

[1] Section 49 Substituted by Finance Act, 1996
[2] Sub-section (2) substituted through Finance Act, 2016.
[3] Section 49A inserted by Finance Act, 2004.
[4] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

liquidator, in writing, of the amount which appears to the [1][Commissioner] to be sufficient to provide for any sales tax which is or will become payable by the person whose assets are in the possession of the liquidator.

(3) A liquidator shall not, without leave of the [1][Commissioner]. Part with any asset held as liquidator until the liquidator has been notified under sub-section (2).

(4) A liquidator: –

(a) shall set aside, out of the proceeds of sale of any asset by the liquidator, the amount notified by the [1][Commissioner] under sub-section (2), or such amount as is subsequently agreed to by the [1][Commissioner]: and

(b) shall be liable to the extent of the amount set aside for the Sales tax liability of the person who owned the asset.

(5) A liquidator shall be personally liable to the extent of any amount required to be set-aside under sub-section (4) for the tax referred to in sub-section (2) if, and to the extent that, the liquidator fails to comply with the requirements of this section.

(6) Where the proceeds of sale of any asset are less than the amount notified by the [1][Commissioner] under sub-section (2), the application of sub-sections (4) and (5) shall be limited to the proceeds of sale.

(7) This section shall have effect notwithstanding anything contained in any other law for the time being in force.]

[1] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

**50. Power to make rules.–** [1][(1)] The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this Act [2][, including rules for charging fee for processing of return, claims and other documents and for preparation of copies thereof.]

[3][(2) All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable price.]

[4]**[50A. Computerized system.–** (1) The Board may prescribe the use of computerized system for carrying out the purposes of this Act, including the receipt of applications for registration, returns and such other declarations or information required to be provided under this Act and the rules made thereunder, from such date and for such registered persons or class of persons as the Board may, by notification in the official Gazette, specify.

(2) The Board may make rules for regulating the conduct and transaction of business in relation to the submission of returns or other information to the Board by the persons required to transmit or receive any information through the computerized system, including [5][matters such as grant of] authorization, suspension and cancellation of authorization and for security of the information transmitted or received through the computerized system.]

[6][(3) Unless otherwise proved, the information received in the computerized system from or on behalf of any registered person shall, for all official and legal purposes, be deemed to have been furnished by and received from such registered person.

[1] Brackets and figure inserted by Finance Act, 2008.

[2] Comma and words inserted by Finance Act, 1994

[3] Sub-section (2) inserted by Finance Act, 2008.

[4] Section 50A inserted by Finance Act, 2006.

[5] Substituted for "their" by Finance Act, 2007

[6] Sub-section (3) and (4) inserted by Finance Act, 2007.

(4) The business information gathered through computerized system shall be confidential to be used only for official and legal purposes and no unauthorized person shall claim for any access to such information.]

[1]**[50B. Electronic scrutiny and intimation.--** (1) The Board may implement a computerized system for the purpose of automated scrutiny, analysis and cross-matching of returns and other available data relating to registered persons and to electronically send intimations to such registered persons about any issue detected by the system.

(2) The intimation sent by the computerized system under sub-section (1) shall be in the nature of an advice or advance notice, aimed at allowing the registered person to clarify the issue, rectify any mistake or take other corrective action before any legal or penal action is initiated.

(3) The computerized system shall be so implemented so as to keep record of the issues detected, intimations sent, responses received and actions taken, and to present such information to the officer of Inland Revenue and to the Board in the prescribed manner.

(4) The Board may prescribe procedures and specifications for the smooth and efficient operation of the computerised system.]

**51. Bar of suits, prosecution and other legal proceedings.–** (1) No suit shall be brought in any Civil Court to set aside or modify any order passed, any assessment made, any tax levied, any penalty imposed or collection of any tax made under this Act.

(2) No suit, prosecution or other legal proceeding shall lie against the Federal Government or against any public servant in respect of any order passed in good faith under this Act.

[2][(3) Notwithstanding anything in any other law for the time being in force, no investigation or inquiry shall be undertaken or initiated by any governmental agency against any officer or official for anything done in his official capacity under this Act, rules, instructions or direction made or issued thereunder without the prior approval of the Board.]

[1] Section 50B inserted by Finance Act 2014

[2] Sub section (3) inserted by Finance Act, 2004.

**52. Appearance by authorised representative.**– A registered person required to appear before the Appellate Tribunal or an officer of [1][Inland Revenue] in connection with any proceedings under this Act may, in writing, authorise any person[2][having such qualification as may be prescribed] to represent him or appear on his behalf.

[3]**[52A. e-intermediaries to be appointed.–** (1) Subject to such conditions, limitations and restrictions, the Board may, by a notification in the official Gazette, appoint a person to electronically file return under Chapter V and such other documents electronically, as may be prescribed from time to time, on behalf of a person registered under section 14.

(2) A person registered under section 14 may authorize an e-intermediary to electronically file return or any other documents, as specified in sub-section (1).

(3) The return or such other documents filed by an e-intermediary on behalf of a registered person shall be deemed to have been filed by that registered person.

(4) Where this Act requires anything to be done by the registered person and if such thing is done by an e-intermediary authorized by the registered person under sub-section (2), unless the contrary is proved, shall be deemed to have been done with the knowledge and consent of such registered person so that in any proceedings under this Act, the registered person shall be liable as if the thing has been done by him.

(5) Where an e-intermediary, authorized by a registered person under sub-section (2) to act on his behalf, knowingly or wilfully submits a false or incorrect information or document or declaration with an intent to avoid payment of tax due or any part thereof or claiming a tax credit or a refund that is not due to the registered person, such e-intermediary shall be jointly and severally responsible for recovery of the amount of tax short paid or the amount refunded in excess as a result of such incorrect or false information or document or

[1] Substituted for "Sales Tax Act" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[2] Words inserted by Sales Tax (Amendment) Ordinance, 2000, dated September 5, 2000

[3] Section 52A inserted by Finance Act, 2006.

declaration, without prejudice to any other action that may be taken against him under the relevant provisions of the law.

(6) The Board may, by notification in the official Gazette, prescribe rules for the conduct and transaction of business of e- intermediaries, including their appointment, suspension and cancellation of appointment, subject to such conditions as specified therein.]

**53. Estate of deceased person.–** The tax liability of a deceased registered person under the Act shall be the first charge on his estate in the hands of his successors.

**54. Estate in bankruptcy**.– (1) If a registered person is declared bankrupt, the tax liability under this Act shall pass on to the estate in bankruptcy if it continues to operate the business.

(2) If tax liability is incurred by an estate in bankruptcy, the tax is deemed to be a current expenditure in the operations of the estate in bankruptcy and shall be paid before the claims preferred by other creditors are settled.

[1]**[55. Removal of difficulties.–** If any difficulty arises in giving effect to the provisions of this Act or the rules made or notifications issued there under, the Board may through a general order or otherwise, issue instructions or directions, not inconsistent with the provisions of this Act, for such actions to be taken by an officer of Inland Revenue or any other person as it considers necessary or expedient for the purpose of removing the difficulty.]

[2][**56. Service of orders; decisions etc.** – (1) subject to this Act , any notice, order or requisition required to be served on a resident individual, other than in a representative capacity for the purposes of this Act shall be treated as properly served on the individual if –

(a) personally served on the individual or, in the case of an individual under a legal disability or a non-residents individual the representative of the individual;

(b) sent by register post or courier service specified in clause (b) of sub-section (2) or to the individual's usual or last known address in Pakistan; [3][..]

(c) served on the individual in the manner prescribed for service of a summons under the code of civil procedure, 1908(Act V of 1908) [1][; or

[1] Substituted vide Finance Ordinance, 2001

[2] Section 56 substituted vide Finance Act, 2010

[3] The words "or" omitted through Finance Act, 2017

(d) sent electronically through email or to the e-folder maintained for the purpose of e-filing of sales tax-cum-Federal excise returns by the limited companies, both public and private.]

(2) Subject to this Act, any notice order or requisition required to be served on any person, other than a resident individual to whom sub-section (1)applies, for the purposes of this Act, shall be treated as properly served on person if –

(a) personally served on the representative of the person;

(b) sent by registered post or courier service to the person's registered office or address for service of notices under this Act, in Pakistan or where the person does not have such office or address, the notice is sent by registered [Post to any office or place of business of the person in Pakistan; [2][..]

(c) served on the Person in the manner prescribed for service of a summons under the code of civil procedure, 1908(Act V of 1908) [3][; or

(d) sent electronically through email or to the e-folder maintained for the purpose of e-filing of sales tax-cum-Federal excise returns by the limited companies, both public and private.]

(3) Where an association of persons is dissolved, any notice, order or requisition required to be served under this Act, on the association or a member of the association may be served on any person who was the principal officer or a member of the association immediately before such dissolution.

(4) Where, business stands discontinued, any notice, order or requisition required to be served under this Act, on the person discontinuing the business may be served on the person personally or on any individual who was the person's representative at the time of discontinuance.

(5) The validity of service of a notice under this Act shall not be called into question after the notice has been complied with in any manner.]

[1][**56A. Agreement for the exchange of information.–** (1) The Federal Government may enter into bilateral or multilateral agreements with provincial governments or with

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[1] Semi colon substituted for the full stop and new clause (d) inserted through Finance Act, 2017

[2] The words "or" omitted through Finance Act, 2017

[3] Semi colon substituted for the full stop and new clause (d) inserted through Finance Act, 2017

governments of foreign countries for the exchange of information, including electronic exchange of information, with respect to sales tax imposed under this Act or any other law of Pakistan and under the corresponding laws of such countries and may, by notification in the official Gazette, make such provisions as may be necessary for implementing such agreements.

(2) The provisions of section 107 of the Income Tax Ordinance, 2001 (XLIX of 2001) shall, *mutatis mutandis*, apply to the provisions of this section.

[2]**[56B. Disclosure of information by a public servant.—** (1) Any information acquired under any provision of this Act shall be confidential and no public servant shall disclose any such information, except as provided under section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001).

(2) Notwithstanding anything contained in sub-section (1) and the Freedom of Information Ordinance, 2002 (XCVI of 2002), any information received or supplied in pursuance of bilateral or multilateral agreements with government of foreign countries for exchange of information under section 56A shall be confidential.]

**56C. Prize schemes to promote tax culture.-** The Board may prescribe prize schemes to encourage the general public to make purchases only from registered persons issuing tax invoices.]

[3][**57. Rectification of Mistake.–** (1) The officer of Inland Revenue, Commissioner, the Commissioner (Appeals) or the Appellate Tribunal may, by an order in writing, amend any order passed by him to rectify any mistake apparent from the record on his or its own motion or any mistake brought to his or its notice by a taxpayer or, in the case of the Commissioner (Appeals) or the Appellate Tribunal, the Commissioner.

(2) No order under sub section (1) which has the effect of increasing an assessment, reducing a refund or otherwise applying adversely to the taxpayer shall be made unless the taxpayer has been given a reasonable opportunity of being heard.

(3) Where a mistake apparent on the record is brought to the notice of the officer of Inland Revenue, Commissioner or Commissioner (Appeals), as the case may be, and no order

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[1] Sections 56A, 56B and 56C added by Finance Act, 2015

[2] Section 56B substituted through Finance Act, 2016.

[3] Section 57 is substituted by Finance Act, 2013.

has been made under sub section (1), before the expiration of the Financial year next following the date on which the mistake was brought to their notice, the mistake shall be treated as rectified and all the provisions of this Act shall have effect accordingly.

(4) No order under sub-section (1) shall be made after five years from the date of the order sort to be rectified.]

[1][**58. Liability for payment of tax in case of private companies or business enterprises.–**(1) Notwithstanding anything contained in the Companies Act, 2017 (XIX of 2017), where any private company or business enterprise is wound up and any tax chargeable on the company or business enterprise, whether before, or in the course, or after its liquidation, in respect of any tax period cannot be recovered from the company or business enterprise, every person who was an owner of, or partner in, or director of, or a shareholder, owning not less than ten per cent of the paid-up capital, in the company or business enterprise, as the case may be, during the relevant period shall jointly and severally with such persons, be liable for the payment of such tax.

(2) Any director or partner who pays tax under sub-section (1) shall be entitled to recover the tax paid from the company or a share of the tax from any other director or partner, as the case may be.

(3) A shareholder who pays tax under sub-section (1) shall be entitled to recover the tax paid from the company or from any other shareholder, owning not less than ten percent of the paid up capital, in proportion to the shares owned by that other shareholder.”; and

(4) The provisions of this Act shall apply to any amount due under this section as if it were tax due under an order for assessment made under this Act.]

[2]**[58A. Representatives.**– (1) For the purpose of this Act and subject to sub-sections (2) and (3), the expression “representative” in respect of a registered person, means: –

(a) where the person is an individual under a legal disability, the guardian or manager who receives or is entitled to receive income on behalf, or for the benefit of the individual;

(b) where the person is a company (other than a trust, a Provincial Government, or local authority in Pakistan), a director or a manager or secretary or agent or accountant or any similar officer of the company;

[1] Section 58 substituted by Finance Act, 2019.
[2] Section 58A and 58B inserted by Finance Act, 2008

(c) where the person is a trust declared by a duly executed instrument in writing whether testamentary or otherwise, any trustee of the trust;

(d) where the person is a Provincial Government, or local authority in Pakistan, any individual responsible for accounting for the receipt and payment of money or funds on behalf of the Provincial Government or local authority;

(e) where the person is an association of persons, a director or a manager or secretary or agent or accountant or any similar officer of the association or, in the case of a firm, any partner in the firm;

(f) where the person is the Federal Government, any individual responsible for accounting for the receipt and payment of moneys or funds on behalf of the Federal Government; or

(g) where the person is a public international organization, or a foreign government or political sub-division of a foreign government, any individual responsible for accounting for the receipt and payment of moneys or funds in Pakistan on behalf of the organization, government, or political subdivision of the government.

(2) Where the Court of Wards, the Administrator General, the Official Trustee, or any receiver or manager appointed by, or under, any order of a Court receives or is entitled to receive income on behalf, or for the benefit of any person, such Court of Wards, Administrator General, Official Trustee, receiver, or manager shall be the representative of the person for the purposes of this Act.

(3) Subject to sub-section (4), where a person is a non-resident person, the representative of the persons for the purpose of this Act for a tax year shall be any person in Pakistan: – –

(a) who is employed by, or on behalf of, the non-resident person;

(b) who has any business connection with the non-resident person;

(c) from or through whom the non-resident person is in receipt of any income, whether directly or indirectly;

(d) who holds, or controls the receipt or disposal of any money belonging to the non-resident person;

(e) who is the trustee of the non-resident person; or

(f) who is declared by the [1][Commissioner] by an order in writing to be the representative of the non-resident person.

[1] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as

(4) No person shall be declared as the representative of a non-resident person unless the person has been given an opportunity by the [1][Commissioner] of being heard.]

**58B. Liability and obligations of representatives.**– (1) Every representative of a person shall be responsible for performing any duties or obligations imposed by or under this Act on the person, including the payment of tax.

(2) Subject to section 58 and sub-section (5) of this section, any tax that, by virtue of sub-section (1), is payable by a representative of a registered person shall be recoverable from the representative only to the extent of any assets of the registered person that are in the possession or under the control of the representative.

(3) Every representative of a registered person who pays any tax owing by the registered person shall be entitled to recover the amount so paid from the registered person or to retain the amount so paid out of any moneys of the registered person that are in the representative's possession or under the representative's control.

(4) Any representative, or any person who apprehends that he may be assessed as a representative, may retain out of any money payable by him to the person on whose behalf he is liable to pay tax (hereinafter in this section referred to as the "principal"), a sum equal to his estimated liability under this Act, and in the event of disagreement between the principal and such a representative or a person as to the amount to be so retained, such representative or person may obtain from the [1][Commissioner] a certificate stating the amount to be so retained pending final determination of the tax liability, and the certificate so obtained shall be his authority for retaining that amount.

(5) Every representative shall be personally liable for the payment of any tax due by the representative in a representative capacity if, while the amount remains unpaid, the representative: –

(a) alienates, charges or disposes of any moneys received or accrued in respect of which the tax is payable; or

(b) disposes of or parts with any moneys or funds belonging to the person that is in the possession of the representative or which comes to the representative after the tax is payable, if such tax could legally have been paid from or out of such moneys or funds.

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Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[1] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010

(6) Nothing in this section shall relieve any person from performing any duties imposed by or under this Act on the person which the representative of the person has failed to perform.]

[1]**[59. Tax paid on stocks acquired before registration.–** The tax [2][. . .] paid on goods purchased by a person who is subsequently required to be registered under section 14 due to new liabilities or levies or gets voluntary registration under [3][this Act or the rules made thereunder], shall be treated as input tax, provided that such goods were purchased by him from a registered person against an invoice issued under section 23 during a period of thirty days before making an application for registration and constitute his verifiable unsold stock on the date of compulsory registration or on the date of application for registration or for voluntary registration:

Provided that where a person imports goods, the tax paid by him thereon during a period of ninety days before making an application for registration shall be treated as an input tax subject to the condition that he holds the bill of entry relating to such goods and also that these are verifiable unsold or un-consumed stocks on the date of compulsory registration or on the date of application for registration or for voluntary registration.]

[4]**[60. Powers to deliver certain goods without** payment of tax.– Subject to such conditions, limitations or restrictions as it thinks fit to impose, [5][Federal Government] may authorise the [6][import] of goods or class of goods, without payment of the whole or any part of the tax payable thereon to the following persons, namely: –

(i) registered importers importing such goods temporarily with a view to subsequent exportation;

[7][(ii) registered manufacturer-cum-exporters who import raw materials and intermediary products for further manufacture of goods meant for export;]

[8][(iii) ***]

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[1]Section 59 inserted by Finance Act, 1999. Earlier it was omitted by Finance Act, 1997. Earlier it was substituted through Finance Act, 1996.

[2] Commas and words ", other than the turnover tax" omitted by Finance Act, 2004.

[3] Substituted for "section 18" by Finance Act, 2004

[4] Section 60 Substituted by Finance Act, 1998.

[5] Words substituted by Finance Act, 2018.

[6] Substituted for "delivery" by Finance Act, 1999

[7] Clause (ii) substituted by the Finance Act, 1999.

[8] Clause (iii) omitted by Finance Act, 1999.

**61. Repayment of tax in certain cases.–** Subject to such conditions, limitations or restrictions as it thinks fit to impose, the Board may authorise the repayment in whole or in part of the tax paid on [1][...] any goods of such class or description as it may determine, which have been used in the production, manufacture, processing, repair or refitting in Pakistan of goods of such class or description as it may determine.

[2]**[61A. Repayment of tax to persons registered in Azad Jammu and Kashmir.**– Subject to such conditions, limitations or restrictions as it may deem fit to impose, the Board may authorize the repayment in whole or in part of the input tax paid on any goods acquired in or imported into Pakistan by the persons registered in Azad Jammu and Kashmir as are engaged in making of zero-rated supplies.]

**62. Drawback allowable on re-export.–** When any goods which have been imported into Pakistan and on which tax has been paid on importation are re-exported outside Pakistan and such goods as are capable of being identified, seven-eighth of such tax shall, except as otherwise hereinafter provided, be repaid as drawback, and the provisions of Customs Act, 1969 (IV of 1969), relating to drawback of customs duties shall, so far as may be apply to such tax, as they apply for the purposes of that Act:

Provided that no such drawback shall be repaid unless the re-export is made within a period of two years from the date of importation as shown in the records of the Custom House:

Provided further that the Board may, on sufficient cause being shown, in any case extend the said period by a further period of one year.

**63. Drawback on goods taken into use between importation and re-exportation.–** Notwithstanding anything contained in section 62, the repayment of sales tax as drawback in respect of goods which have been taken into use between importation and re-exportation shall be subject to such orders, conditions or limitations as may be passed or imposed by the Board in each case,-

(a) modifying the amount of tax which shall be repaid as drawback on any such goods or class of goods; or

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[1] Words "the importation of" omitted by Finance Ordinance, 2002

[2] Section 61A inserted by Finance Act, 2008.

(b) prohibiting the repayment of tax as drawback on any such goods or class of such goods; or

(c) varying the condition for the grant of drawback on any such goods or class of such goods by restricting the period after importation within which the goods must be re-exported.

**64. Power to declare what goods are identifiable and to prohibit drawback in case of specified foreign territory.–** The Federal Government may, from time to time, by notification in the official Gazette, prohibit the payment of drawback upon the exportation of goods or any specified goods or class of goods to any specified foreign port or territory.

**65. Exemption of tax not levied or short levied as a result of general practice.–** Notwithstanding anything contained in this Act, if in respect of any supply the [1][Federal Government] is satisfied that inadvertently and as a general practice: –

(a) tax has not been charged in any area on any supply which was otherwise taxable, or according to the said practice the amount charged was less than the amount that should have actually been charged;

(b) the registered person did not recover any tax prior to the date it was discovered that the supply was liable to tax; and

(c) the registered person started paying the tax from the date when it was found that the supply was chargeable to tax;

it may, by a notification in the official Gazette, direct that the tax not levied or short levied as a result of that inadvertent practice, shall not be required to be paid for the period prior to the discovery of such inadvertent practice.

**66. Refund to be claimed within one year.–** No refund of tax claimed to have been paid or over paid through inadvertence, error or misconstruction [2][or refund on account of input adjustment not claimed within the relevant tax period, ] shall be allowed, unless the claim is made within one year of the date of payment [3][:]

[4][Provided that in a case where a registered person did not deduct input tax within the relevant tax period, the [5][Commissioner] may, after satisfying himself that input tax

[1] Words substituted by Finance Act, 2018.
[2] Words inserted by Finance Act, 1998.

[3] Substituted for the full-stop by Finance Ordinance, 2001

[4] Proviso inserted by Finance Ordinance, 2002.

[5] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as

adjustment is due and admissible, allow the registered person to take such adjustment in the tax period as specified by the [4][Commissioner]:]

[1][ Provided [2][further] that in a case where the refund has become due on account of any decision or judgement of any officer of [3][Inland Revenue] or court or the Tribunal, the period of one year shall be reckoned from the date of judgement or decision of such officer, court or Tribunal[4]*[:]*]

Provided further that the application or claim filed under this section shall be disposed of within a period not exceeding ninety days from the date of filing of such application or claim.]

[5][Provided also that no refund shall be admissible under this section if incidence of tax has been passed directly or indirectly to the consumer.]

[6][**67. Delayed Refund.–** Where a refund due under section 10 is not made within [7][the time specified in section 10 from the date] of filling of [8][refund claim], there shall be paid to the claimant in addition to the amount of refund due to him, a further sum equal to [9][KIBOR] per annum of the amount of refund due, from the date following the expiry of [the time specified [10][as aforesaid], to the day preceding the day of payment of refund:

Provided that where there is reason to believe that a person has claimed the refund which is not admissible to him, the provision regarding the payment of such additional amount shall not apply till the investigation of the claim is completed and the claim is either accepted or rejected.]

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Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[1] Proviso inserted by Finance Ordinance, 2001.

[2] Word inserted by Finance Ordinance, 2002.

[3] Substituted for "sales tax" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[4] Substituted for full stop by Finance Act, 2005

[5] Proviso inserted by Finance Act, 2011.

[6] Section 67 substituted by Finance Act, 1996.

[7] Substituted for "thirty days" by Finance Act, 1997

[8] Substituted for "return" by Finance Act, 2007

[9] Substituted for "Six percent" by Finance Act, 2009, earlier the word "six" was substituted for "fourteen" by the Finance Act, 2004, before that it was substituted for "ten" by Finance Supplementary (Amendment) Act, 1997. Which came into force on March 28, 1997, prior to this it was substituted by Sales Tax (Second Amendment) Ordinance 1996, dated 2nd November, 1996.

[10] Substituted for the words and figures "in section 10 from the date" by Finance Act, 2007.

[1][**67A. Payment of refund through sales tax refund bonds.—** (1) Notwithstanding anything contained in section 67, the sales tax refunds payable under this Act may also be paid through sales tax refund bonds to be issued by FBR Refund Settlement Company [2][ ] Limited, in book-entry form through an establishment licensed by the Securities and Exchange Commission of Pakistan as a central depository under the Securities Act, 2015, (111 of 2015), in lieu of payment to be made through issuance of cheques or bank debit advice.

(2) The Board shall issue a promissory note to FBR Refund Settlement Company [3][ ] Limited, hereinafter referred to as the company, incorporating the details of refund claimants and the amount of refund determined as payable to each for issuance of sales tax refund bonds, hereinafter referred to as the bonds, of the same amount.

(3) The bonds shall be issued in values in multiples of one hundred thousand rupees.

(4) The bonds so issued shall have a maturity period of three years and shall bear annual simple profit at ten per cent.

(5) The bonds shall be traded freely in the country's secondary markets.

(6) The bonds shall be approved security for calculating the statutory liquidity reserve.

(7) The bonds shall be accepted by the banks as collateral.

(8) There shall be no compulsory deduction of Zakat against the bonds and Sahib-e-Nisab may pay Zakat voluntarily according to Shariah.

(9) After period of maturity, the company shall return the promissory note to the Board and the Board shall make the payment of amount due under the bonds, along with profit due, to the bond holders.

(10) The bonds shall be redeemable in the manner as in the preceding sub-section before maturity only at the option of the Board along with simple profit payable at the time of redemption in the light of general or specific policy to be formulated by the Board.

(11) The refund under sub-section (1) shall be paid in the aforesaid manner to the claimants who opt for payment in such manner.

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[1] New section 67A inserted by Finance Supplementary (Second Amendment) Act, 2019

[2] The word "private" omitted by Finance Act, 2019.

[3] The word "private" omitted by Finance Act, 2019.

(12) The [1][Board, with the approval of the Federal Minister-in-charge,] may notify procedure to regulate the issuance, redemption and other matters relating to the bonds, as may be required.]

**68. Liability of the registered person for the acts of his agent.–** When any person is expressly or impliedly authorised by a registered person to be his agent for all or any of the purposes of this Act, the registered person shall be responsible for the act done by his agent.

[2][**69. Issuance of duplicate of sales tax documents.**– An officer of [3][Inland Revenue not below the rank of Assistant Commissioner] may, on payment of one hundred rupees, issue an attested duplicate of any sales tax document as is available with the department or has been filed under this Act or rules made thereunder to a relevant registered person applying for the same.]

**70. Computation of limitation period.**– In computing the period of limitation prescribed for any appeal or application under this Act, the day on which the order complained of was served and, if the concerned person was not furnished with a copy of the order, the time requisite for obtaining a copy of such order shall be excluded.

[4][**71.** Special procedure.– [5][(1)] [6][The Board] may, by notification in the official Gazette, prescribe special procedure for scope and payment of tax, registration, book keeping and invoicing requirements and returns, etc. in respect of such supplies as may be specified therein.]

[7][(2) ***]

[8][(3) Notwithstanding anything contained in this Act or any other law for the time being in force or any decision of any court, the trade enrolment Certificate Schemes immediately in force before the commencement of the Finance Act, 1999, shall be deemed to be validly made under this Act.]

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[1] The expression substituted for the words "Federal Government" by Finance Act, 2019.
[2] Section 69 substituted by the Finance Act, 2008.
[3] Substituted for the words "Sales Tax not below the rank of Assistant Collector" by the Finance Act, 2010
[4] Section 71 inserted by Finance supplementary (Amendment) Act, 1997, which came into force on March 28, 1997. Earlier the same amendment was made by Sales Tax (Second Amendment) Ordinance, 1996 and by Sales Tax (Amendment) Ordinance, 1997.
[5] Section 71 re-numbered as sub-section (1) by Finance Act, 1999
[6] The expression "Notwithstanding anything contained in this Act, the Federal Government" substituted through Finance Act, 2019.
[7] Sub-section (2) omitted by Sales Tax (Amendment) Ordinance, 1999, dated 13th August, 1999. Earlier inserted by Finance Act, 1999.
[8] Sub-section (3) inserted by Finance Act, 1999.

[1][**72. Officers of [2][Sales Tax] to follow Board's orders, etc.–** All officers of [9][Inland Revenue] and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of [officers of [6][Inland Revenue] in the exercise of their quasi-judicial functions.]

[3][**72A. Reference to the authorities.–** Any reference to the Collector, Additional Collector, Deputy Collector, Assistant Collector, Superintendent, Senior Auditor and an officer of Sales Tax wherever occur in this Act and rules, notifications, clarifications general orders or order made or issued there under, shall be construed as reference to the Commissioner Inland Revenue, Additional Commissioner Inland Revenue," Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Superintendent Inland Revenue, Inland Revenue Audit Officer and an officer of Inland Revenue, respectively.]

[4][**72B. Selection of audit by the Board.–** (1) The Board may selects persons or classes of persons for audit of tax affairs through computer ballot which may be random or parametric as the Board may deem fit.

[5][(1A) Notwithstanding anything contained in this Act or any other law, for the time being in force, the Board shall keep the selection parameters confidential.]

(2) Audit of tax affairs of persons selected under sub-section (1) shall be conducted as per procedure given in section 25 and all the provisions of this Act shall apply accordingly.

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[1]Sub-section (3) inserted by Finance Act, 1999.

[2] Section 72 inserted by Finance Act, 1998.

9 Substitued for the Words "Sales Tax" by Finance Act, 2010.

[3] Substituted for "sales" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[4] Section 72A inserted by Finance Act, 2010 w.e.f. June 5, 2010. The same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (Amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[5] New sub-section (1A) added through Finance Act, 2019.

(3) For the removal of doubt, it is hereby declared that the Board shall be deemed always to have had, the power to select any persons or classes of persons for audit of tax affairs under this section.]

[1][**72C. Reward to Inland Revenue Officers and Officials.–** (1) In cases involving concealment or evasion of sales tax and other taxes, cash reward shall be sanctioned to the officers and officials of Inland Revenue for their meritorious conduct in such cases and to the informer providing credible information leading to such detection, as may be prescribed by the Board, only after realization of part or whole of a taxes involve in such cases.

(2) The Board may, by notification in the official Gazette, prescribed the procedure in this behalf and specify the apportionment of reward sanctioned under this section for individual performance or to collective welfare of the officers and officials of Inland Revenue.]

[2][**72D. Reward to whistleblowers**.-- (1) The Board may sanction reward to whistleblowers in cases of concealment or evasion of tax, tax fraud, corruption or misconduct providing credible information leading to such detection of evasion of tax fraud.

(2) The Board may, by notification in the official Gazette, prescribe the procedure in this behalf and also specify the apportionment of reward sanctioned under this section for whistleblowers.

(3) The claim for reward by the whistleblower shall be rejected, if-

(a) the information provided is of no value;

(b) the Board already had the information;

(c) the information was available in public records; or

(d) no collection of taxes is made from the information provided from which the Board can pay the reward.

(4) For the purpose of this section, "whistleblower" means a person who reports concealment or evasion of sales tax and tax fraud leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action

[1]Section 72C substituted by Finance Act, 2013.

[2] Section 72D added by Finance Act, 2015.

against the person or a sales tax authority committing fraud, corruption, misconduct, or involved in concealment or evasion of taxes.]

[1]**[73. Certain transactions not admissible.**– (1) Notwithstanding anything contained in this Act or any other law for the time being in force, payment of the amount for a transaction exceeding value of fifty thousand rupees, excluding payment against a utility bill, shall be made by a crossed cheque drawn on a bank or by crossed bank draft or crossed pay order or any other crossed banking instrument showing transfer of the amount of the sales tax invoice in favour of the supplier from the business bank account of the buyer [2][:]

[3][Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payments through credit card shall be treated as transactions through the banking channel, subject to the condition that such transactions are verifiable from the bank statements of the respective buyer and the supplier.]

(2) The buyer shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act if payment for the amount is made otherwise than in the manner prescribed in sub-section (1), provided that payment in case of a transaction on credit is so transferred within one hundred and eighty days of issuance of the tax invoice.

(3) The amount transferred in terms of this section shall be deposited in the business bank account of the supplier, otherwise the supplier shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act.

***Explanation***— For the purpose of this section, the term "business bank account" shall mean a bank account utilized by the registered person for business transactions, declared to the [4][Commissioner] in whose jurisdiction he is registered [5][through Form STR-1 or change of particulars in registration database.]]

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[1] Section 73 substituted by Finance Act, 2004. Earlier it was substituted by Finance Act, 2003, which was inserted by Tax Laws (Amendments) Ordinance, 1999.
[2]Substituted for full stop by Finance Act, 2005

[3] Proviso inserted by Finance Act, 2005.

[4] Substituted for "Collector" by Finance Act, 2010 w.e.f. June 5, 2010, the same amendment was made by Finance Amendment) Ordinance, 2010, promulgated as Ordinance no. III of 2010, the same amendment was made by Finance (Amendment) Ordinance, 2010, promulgated as Ordinance No. III of 2010, dated February 6, 2010, published in the official Gazette of Pakistan Extraordinary Part I at pages 23 to 53 and this amendment was made through Finance (amendment) Ordinance, 2009, promulgated as Ordinance No. XXII of 2009, dated October 28, 2009, published in the Gazette of Pakistan Extraordinary Part I at pages 229 to 259.

[5] Words inserted by Finance Act, 2013.

[1][**74. Condonation of time-limit.–** Where any time or period has been specified under any of the provisions of the Act or rules made there under within which any application is to be made or any act or thing is to be done, the [2][Board] may, in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate [:]

Provided that the Board may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any [Commissioner] to exercise the powers under this section in any case or class of cases.

***Explanation*.–** For the purpose of this section, the expression "any act or thing is to be done" includes any act or thing to be done by the registered person or by the authorities specified in section 30 of this Act.]

[3][**74A. Validation.–** [4][(1) All notifications and orders issued and notified in exercise of the powers conferred upon the Federal Government, before the commencement of Finance Act, [5][2018] shall be deemed to have been validly issued and notified in exercise of those powers.]

[6][(2) Notwithstanding any omission, irregularity or deficiency in the establishment of or conferment of powers and functions on the Directorate General (Intelligence and Investigation), Inland Revenue and authorities specified in section 30A, all orders passed, notices issued and actions taken, before commencement of the Finance Act, 2018, in exercise or purported exercise of the powers and functions of the officers of Inland Revenue under this Act by the Director General (Intelligence and Investigation), Inland Revenue or the authorities specified in section 30A shall be deemed to have been validly passed, issued and taken under this Act.]

**75. Application of the provisions of Act IV of 1969 to Sales Tax.–** The Federal Government may, by notification in the official Gazette, declare that any of the provision of the Customs Act, 1969 (IV of 1969), relating to the levy of, and exemption from, customs duties, draw-back of duty, warehousing, confiscation, and procedure relating to offences and

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[1] Section 74 added by the Finance Ordinance, 2002.
[2] Substituted for the words "Central Board of Revenue" by Finance Act, 2007.
[3] Section 74A inserted through Finance Act, 2017
[4] Existing provision numbered as sub-section (1) by Finance Act, 2018.
[5] Figure substituted by Finance Act, 2018.
[6] New sub-section (2) added by Finance Act, 2018.

appeals shall, with such modifications and alterations as it may consider necessary or desirable to adapt them to the circumstances, be applicable in regard to like matters in respect of the tax imposed by section 3.]

[1][76. **Fee and service charges.–** The Federal Government may, by notification in the official Gazette, subject to such conditions, limitations or restrictions as it may deem fit to impose, levy fee and service charges for valuation, in respect of any other service or control mechanism provided by any formation under the control of the Board, including ventures of public-private partnership, at such rates as may be specified in the notification.]

**********

# SCHEDULES

***The***
## FIRST SCHEDULE
[2][***]

***The***
## SECOND SCHEDULE
[3][***]

[4][***The***
## THIRD SCHEDULE***]***
*See* [5][clause (a)] of sub-section (2) of section 3]

| Serial No. | Description | Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969) |
|---|---|---|
| (1) | (2) | (3) |
| 1 | Fruit juices and vegetable juices | 20.09 |
| 2 | Ice Cream. | [6][2105.0000] |
| 3 | Aerated waters or beverages. | 22.01 and 20.02 |
| 4 | Syrups and squashes. | Respective headings |
| 5 | Cigarettes. | 2402.2000 |

[1] New section 76 added through Finance Act, 2019.
[2] The first schedule omitted by Finance Supplementary (Amendment) Act, 1997, with effect from March 28, 1997.
[3] The Second Schedule omitted by Finance Supplementary (Amendment) Act, 1997, with effect from March 28, 1997.
[4] The Third Schedule Substituted by Finance Act, 1998, earlier it was inserted by Finance Act, 1996.
[5] Substituted for the words, brackets and letter "clause (c)" by Finance Ordinance, 2002
[6] Substituted for the figure "21.05" through Finance Act, 2017

| | | |
|---|---|---|
| [1][ 6 | Toilet soap | 3401.1100 and 3401.2000] |
| [2][7 | Detergents | 3402.2000 |
| 8 | Shampoo | 3305.1000 |
| 9 | Toothpaste | 3306.1010 |
| 10 | Shaving cream | 3307.1000 |
| 11 | Perfumery and cosmetics | Respective sub-headings of 33.03 and 33.04.] |
| [3][12 | *** | |
| 13 | ***] | |
| [4][14 | Tea | Respective sub-headings of 09.02 |
| 15 | Powder drinks | 21.06 |
| 16 | Milky drinks | 2106.9090] |
| [5][17 | Toilet paper and tissue paper | 4818.1000 and 4818.2000] |
| [6][18. | Spices sold in retail packing bearing brand names and trade marks | 09.04, 09.06, 09.08 and 09.10 |
| [7][19. | *** | |
| 20. | ***] | |
| 21. | Shoe polish and shoe cream | 3405.1010] |
| [5][22. | ***] | |
| [8][23. | *** | |
| 24. | *** | |
| 25. | *** | |
| 26. | *** | |
| 27. | *** | |
| 28. | *** | |
| 29. | *** | |
| 30. | *** | |
| 31. | ***] | |
| 32. | Fertilizers | Respective heading |
| 33. | Cement sold in retail packing | Respective heading |
| 34. | *** | |
| 35. | ***] | |
| [9][36. | ***]*]* | |
| [10][37. | Mineral/bottled water | Respective headings] |

[1] Serial No.6 and entries relating thereto substituted by Finance Act, 2005, earlier these were inserted by Sales Tax (Amendment) Ordinance, 2002, dated March 21, 2002.
[2] Serial No.7 to 11 and entries relating thereto added by Finance Act, 2005
[3] Serial No.12 to 13 and entries relating thereto omitted by Finance Act, 2008
[4] Serial No.14 to 16 and entries relating thereto added by Finance Act, 2005
[5] Serial No.17 and entries relating thereto added by Finance Act, 2005

[6] Serial No.18 to 21 and entries relating thereto added by Finance Act, 2006

[7] Serial No.19 to 20 and entries relating thereto omitted by Finance Act, 2008

[8] Serial Nos. 23 to 31, 34 and 35 entries relating thereto omitted by Notification No. S.R.O. 895(I)/2013, dated 4th October, 2013.

[9] Serial Nos. 22 and 36 and entries relating thereto omitted Notification No. S.R.O. 681(I)/2013, dated 26th July, 2013.

[10] New Serial number added through Finance Act, 2016

| | | |
|---|---|---|
| [1][38. | Household electrical goods, including air conditioners, refrigerators, deep freezers, televisions, recorders and players, electric bulbs, tube-lights, electric fans, electric irons, washing machines and telephone sets. | Respective headings |
| 39. | Household gas appliances, including cooking range, ovens, geysers and gas heaters. | Respective headings |
| 40. | Foam or spring mattresses and other foam products for household use. | Respective headings |
| 41. | Paints, distempers, enamels, pigments, colours, varnishes, gums, resins, dyes, glazes, thinners, blacks, cellulose lacquers and polishes sold in retail packing | Respective headings |
| 42. | Lubricating oils, brake fluids, transmission fluid, and other vehicular fluids sold in retail packing. | Respective headings |
| 43. | Storage batteries excluding those sold to automotive manufacturers or assemblers | Respective headings |
| 44. | Tyres and tubes excluding those sold to automotive manufacturers or assemblers | Respective headings |
| 45. | Motorcycles | Respective headings |
| 46. | Auto rickshaws | Respective headings |
| 47. | Biscuits in retail packing with brand name | Respective Headings |
| 48. | Tiles | Respective Headings |
| 49. | Auto-parts, in retail packing, excluding those sold to automotive manufacturers or assemblers | Respective Headings] |

## *The*
## FOURTH SCHEDULE
[1][***]

[1] Serial numbers 38 upto 49 and entries relating thereto added through Finance Act, 2019.

[2][*The*
# FIFTH SCHEDULE
[*See* section 4]

| Serial No. | Description |
|---|---|
| (1) | (2) |
| 1. | (i) Supply, repair or maintenance of any ship which is neither;<br>(a) a ship of gross tonnage of less than 15 LDT; nor<br>(b) a ship designed or adapted for use for recreation or pleasure.<br>(ii) Supply, repair or maintenance of any aircraft which is neither;<br>(a) an aircraft of weight-less than 8000 kilograms; nor<br>(b) an aircraft designed or adapted for use for recreation or pleasure.<br>(iii) Supply of spare parts and equipment for ships and aircraft falling under (i) and (ii) above.<br>(iv) Supply of equipment and machinery for pilot age, salvage or towage services.<br>(v) Supply of equipment and machinery for air navigation services.<br>(vi) Supply of equipment and machinery for other services provided for the handling of ships or aircraft in a port or Customs Airport. |
| 2. | Supply to diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.] |
| [3]3. | Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules issued under the Customs Act, 1969, (IV of 1969), the supplies from duty free shops shall be treated as import for the purpose of levy of sales tax. |
| [4]4. | ***]] |
| [5]5. | Supplies of raw materials [6][, components and goods for further] manufacture of goods in the Export Processing Zones.] |
| [7]6. | Supplies of such locally manufactured plant and machinery [8][***[9][***] to petroleum and gas sector Exploration and Production companies, their contractors and sub-contractors] as may be specified by the Federal Government, by notification in the official Gazette, subject to such conditions and restrictions as may be specified in such notification.] |

[1] Fourth Schedule omitted by Finance Act, 1998.

[2] Fifth Schedule added by Finance Act, 1996.

[3]Serial Nos. 3 and 4 added by Finance Supplementary (Amendment) Act, 1997, with effect from March 28, 1997.

[4]Serial No. 4 and entry relating thereto omitted by Finance Act, 2012

[5] Serial No. 5 added by the Finance Act, 1997.

[6] Substituted for the words "and components for" by the Sales Tax (Amendment) Ordinance, 1999

[7] Serial No. 6 added by the Finance Act, 2001.
[8] Words "to the Export Processing Zones and" omitted by Finance Act, 2015.
[9] The words "and to petroleum and gas…." inserted by the Finance Ordinance, 2002.

| | |
|---|---|
| [1][6A. | Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject to the conditions, restrictions and procedure given below, namely:-<br><br>(i) Plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer;<br><br>(ii) Apparatus, appliances and equipments specifically meant or adapted for use in conjunction with the machinery specified in clause (i);<br><br>(iii) Mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i); and<br><br>(iv) Parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.<br><br>Conditions, restrictions and procedures:-<br><br>(a) the supplier of the machinery is registered under the Act;<br><br>(b) proper bill of export is filed showing registration number;<br><br>(c) the purchaser of the machinery is an established manufacturer located in the Export Processing Zone and holds a certificate from the Export Processing Zone Authority to that effect;<br><br>(d) the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Export Processing Zone before a period of five years from the date of entry into the Zone;<br><br>(e) if the machinery is brought to tariff area of Pakistan, sales tax shall be charged on the value assessed on the bill of entry; and<br><br>(f) breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.] |
| [2][7. | Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein.] |
| [3][8. | Imports or supplies made to Gawadar Special Economic Zone, excluding vehicles falling under heading 87.02 of the Pakistan Customs Tariff, subject to such conditions, limitations and restrictions as the [4][Board] may impose. ] |
| [5][9. | Goods exempted under section 13, if exported by a manufacturer [6][***]. |

[1] Serial 6A and the entry relating thereto in column (2) inserted by Finance Act, 2015
[2]Serial No. 7 added by Finance Ordinance, 2001

[3] Serial No. 8 and entries relating thereto inserted by Finance Act, 2004
[4]Substituted f Revenue" by Finance Act, 2007
[5] S. Nos. 9 to 12 and entries relating thereto inserted by Finance Act, 2014
[6] Words "who makes local supplies of both taxable and exempt goods" omitted by Finance Act, 2015.

| | |
|---|---|
| 10. | Petroleum Crude Oil (PCT heading 2709.0000). |
| 11. | Raw materials, components, sub-components and parts, if imported or purchased locally for use in the manufacturing of such plants and machinery as is chargeable to sales tax at the rate of zero percent, subject to the condition that the importer or purchaser of such goods holds a valid sales tax registration showing his registration category as "manufacturer"; and in case of import , all the conditions, restrictions, limitations and procedures as are imposed by notification under section 19 of the Customs Act,1969(IV of 1969), shall apply. |
| 12. | The following goods and the raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the said goods, subject to the conditions, limitations and restrictions as [1][prescribed by the Board]:--<br><br>[2][(i) to (ix) [.....]]<br><br>[3][(x) ...<br><br>(xi) ...<br>(xii) ...<br>(xiii) ...<br><br>(xiv) ...<br><br>(xv) ...<br><br>(xi) ...]<br><br>(xvii) [4][Preparations suitable for infants, put up for retail sale] (PCT Heading 1901.1000)<br>(xviii) [5][.....]<br>(xix) Bicycles (PCT heading 87.12).<br>(xx) [6][Colors in sets (PCT heading 3213.1000).<br>(xxi) Writing, drawing and marking inks (PCT heading. 3215.9010 and 3215.9090)<br>(xxii) Erasers (PCT heading 4016.9210 and 4016.9290)<br>(xxiii) Exercise books (PCT heading 4820.2000)<br>(xxiv) Pencil sharpeners (PCT heading 8214.1000)<br>(xxv) Geometry boxes (PCT heading 9017.2000)<br>(xxvi) Pens, ball pens, markers and porous tipped pens (PCT heading 96.08)<br>(xxvii) Pencils including color pencils ( PCT heading 96.09)".] |

[1] Substituted for the word "specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007" through Finance Act, 2019.
[2] Serial numbers (i) to (ix) omitted through Finance Act, 2016.
[3] Clauses (x) to (xvi) omitted by Finance Act, 2015
[4] Expression substituted through Finance Act, 2017
[5] Serial number (xviii) omitted through Finance Act, 2016.
[6] New clauses (xx) to (xxvii) inserted by Finance Act, 2018.

[1][*The*

# SIXTH SCHEDULE

[*See* section 13(1)]

**Table-1**
**(Imports or Supplies)**

| Serial No | Description | Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969) |
|---|---|---|
| **(1)** | **(2)** | **(3)** |
| 1. | Live Animals [2][and live poultry.] | [3][0101.2100], [4][0101.3000], 0101.9000, [5][..], [6][0102.2110], [7][0102.2120], [8][0102.2130], [9][0102.2190], [10][0102.3900], [11][0102.2910], [12][0102.2920], [13][0102.2930], [14][0102.2990, 0102.9000], 0104.1000, 0104.2000, 0105.1100, 0105.1200, [5][..], [15][0105.9400], 0105.9900, 0106.1100, 0106.1200, 0106.1900, 0106.2000, 0106.3110, 0106.3190, 0106.3200, 0106.3900 and 0106.9000 |
| 2. | [16][Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved [17][or packed]. | 02.01, 02.02 and 02.04.] |
| [18][3. | Fish and crustaceans excluding live fish whether or not fresh, frozen<br><br>or otherwise preserved [19][or packed]. | 03.02, 03.03, 03.04, 03.05 and 03.06] |
| [20][4. | *** | |
| 5. | *** | |

[1]Sixth Schedule substituted by Finance Act, 2005. Earlier it was substituted by Finance Act, 1998. Originally it was inserted by Finance Act, 1996.
[2]The words added by Finance Act, 2007.
[3]Substituted for PCT heading "0101.1000" by Finance Act, 2012
[4] The figure substituted through Finance Act, 2017
[5] The figures "0102.1010" & "0105.1900" omitted through Finance Act, 2017
[6]Substituted for "0102.1020" by Finance Act, 2012
[7]Substituted for "0102.1030" by Finance Act, 2012
[8] Substituted for "0102.1040" by Finance Act, 2012
[9] Substituted for "0102.1090" by Finance Act, 2012
[10] Substituted for "0102.9010" by Finance Act, 2012
[11] Substituted for "0102.9020" by Finance Act, 2012
[12] Substituted for "0102.9030" by Finance Act, 2012
[13] Substituted for "0102.9040" by Finance Act, 2012
[14] Substituted for "0102.9090" by Finance Act, 2012
[15] Substituted for the figures and comma "0105.9200 0105.9300" by Finance Act, 2007
[16] Substituted by Finance Act, 2007
[17] The words "or packed" added vide Finance Act, 2019.
[18] S. No. 3 substituted by Finance Act, 2007.
[19] The words "or packed" added vide Finance Act, 2019.
[20] S. Nos. 4 to10 and entries relating thereto omitted by Finance Act, 2006

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| 6. | *** | |
| 7. | *** | |
| 8. | *** | |
| 9. | *** | |
| 10. | ***] | |
| 11. | Eggs including eggs for hatching | [1][0407.1100, 0407.1900] and [2][0407.2100, 0407.2900] |
| 12. | Live plants including bulbs, [3][roots and the like.] | 0601.1010, 0601.1090, 0601.2000, 0602.1000, 0602.2000, 0602.3000, 0602.4000, 0602.9010 and 0602.9090 |
| 13. | Edible vegetables including roots and tubers, [4][except ware potato and onions], whether fresh, frozen or otherwise preserved (*e.g.* in cold storage) but excluding those bottled [5][or] canned [6][***]. | 0701.1000, [7][***], 0702.0000, [8][***], 0703.2000, 0703.9000, 0704.1000, 0704.2000, 0704.9000, 0705.1100, 0705.1900, 0705.2100, 0705.2900, 0706.1000, 0706.9000, 0707.0000, 0708.1000, 0708.2000, 0708.9000, 0709.1000, 0709.2000, 0709.3000, 0709.4000, 0709.5100, [9][0709.5910, 0709.5990], 0709.6000, 0709.7000, 0709.9000, 0710.1000, 0710.2100, 0710.2200, 0710.2900, 0710.3000, 0710.4000, 0710.8000, 0710.9000, 0712.2000, 0712.3100, 0712.3200, 0712.3300, 0712.3900 and 0712.9000 |
| 14. | Pulses. | 0713.1000, [10][0713.2010, 0713.2020, 0713.2090], 0713.3100, 0713.3200, 0713.3300, 0713.3910, 0713.3920, 0713.3990, 0713.4010, 0713.4020, 0713.5000, 0713.9010, 0713.9020 and 0713.9090 |
| 15. | Edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled [11][or] canned [12][***]. | [13][..], 0804.1010, 0804.1020, 0804.2000, 0804.3000, 0804.4000, 0804.5010, 0804.5020, 0804.5030, 0805.1000, [14][0805.2910, 0805.2100, 0805.2200 and 0805.2990], 0805.4000, 0805.5000, 0805.9000, 0806.1000, 0806.2000, 0807.1100, |

[1]Substituted for PCT heading "0407.0010" by the Finance Act, 2012
[2] Substituted for PCT heading "0407.0090" by the Finance Act, 2012
[3] Substituted for the words and comma "and tubers, etc." by the Finance Act, 2007.
[4] The words inserted by the Finance Act, 2009.
[5]Substituted for the comma by the Finance Act, 2008
[6]The words "or package" omitted by the Finance Act, 2008.
[7]The figure and comma "0701.9000," omitted by the Finance Act, 2009
[8] The figure and comma "0703.1000," omitted by the Finance Act,2009
[9] Substituted for the figure and comma "0709.5200, 0709.5900" by the Finance Act,2007
[10]Substituted for the figure and comma "0713.2000" by the Finance Act, 2009
[11]Substituted for the comma by the Finance Act, 2008
[12]The words "or packaged" omitted by the Finance Act, 2008
[13] The figure "0803.0000" omitted through Finance Act, 2017
[14] The figures "0805.2010" and "0805.2090" substituted through Finance Act, 2017

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| | | 0807.1900, 0807.2000, 0808.1000, [1][0808.3000, 0808.4000], 0809.1000, 0809.2000, 0809.3000, 0809.4000, 0810.1000, 0810.2000, [2][***], 0810.4000, 0810.5000, 0810.6000, 0810.9010, 0810.9090, 0811.1000, 0811.2000, 0811.9000, 0813.1000, 0813.2000, 0813.3000, 0813.4010, 0813.4020 and 0813.4090 |
| 16. | Red chillies excluding those sold in retail packing bearing brand names and trademarks. | [3][0904.2110] and [4][0904.2210] |
| 17. | Ginger excluding those sold in retail packing bearing brand names and trademarks. | [5][09.10] |
| 18. | Turmeric excluding those sold in retail packing bearing brand names and trademarks. | 0910.3000 |
| 19. | Cereals and products of milling industry [6][excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brand name or a trademark]. | 1001.1000, 1001.9000, 1002.0000, 1003.0000, 1004.0000, 1005.1000, 1005.9000,[7][[8][***] 1006.1090], 1006.2000, 1006.3010, 1006.3090, 1006.4000, 1007.0000, 1008.1000, 1008.2000, 1008.3000, 1008.9000, 1101.0010, 1101.0020, [9][ ], 1102.2000, [10][..], 1102.9000, 1103.1100, 1103.1300, 1103.1900, [11][1104.2200, 1104.2300, 1104.2900 and 1104.3000] |
| 20. | Seeds, fruit and spores of a kind used for sowing. | [12][1006.1010, [9][..], 1209.2100, 1209.2200, 1209.2300, 1209.2400, 1209.2500, [13][...], 1209.2900, 1209.3000, 1209.9110, 1209.9120, 1209. 9130, 1209.9190 and 1209.9900 |
| 21. | Cinchona bark. | 1211.9000 |
| 22. | Sugar beet. | 1212.9100 |
| 23. | Sugar cane. | [14][1212.9300] |

[1] Substituted for PCT heading "0808.2000" by the Finance Act, 2012
[2] The figures and comma "0810.3000," omitted by the Finance Act, 2007
[3] Substituted for PCT heading "0904.2010" by the Finance Act, 2012
[4] Substituted for PCT heading "0904.2020" by the Finance Act, 2012
[5] Substituted for the figure "0910.1000" through Finance Act, 2017
[6] The expression added through Finance Act, 2019.
[7] Substituted for "1006.1000" by the Finance Act, 2009
[8] Figure and comma "1006.1010," omitted by the Finance Act, 2015
[9] PCT Heading "1102.1000" relevant to milling industry omitted through Finance Act, 2019.
[10] The figures "1102.3000" & "1209.1010" omitted by Finance Act, 2017
[11] Substituted for the words and figures "and respective headings of 1104" by the Finance Act, 2007
[12] Substituted for the figure "1209.1000" by Finance Act, 2015
[13] The figures and comma "1209.2600," omitted by Finance Act, 2007
[14] Substituted for the figure "1212.9990" by Finance Act, 2017

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| 24. | Edible oils and vegetable ghee, including cooking oil, on which Federal Excise Duty is charged, levied and collected [1][by a registered manufacturer or importer] as if it were a tax payable under section 3 of the Act.<br><br>[2][*Explanation.*– Exemption of this entry shall not be available to distributors, wholesalers or retailers.] | 1507.9000, 1508.9000, 1509.1000, 1509.9000, 1510.0000, [3][1511.1000,] [4][***], 1511.9020, 1511.9030, 1512.1900, 1513.1900, 1513.2900, 1514.1900, 1514.9900, 1515.2900, 1515.5000, 1516.2010, 1516.2020 [5][, 1517.1000], [6][***], 1517.9000 and 1518.0000 |
| [7][25. | ***] | |
| 26. | Fruit juices, whether fresh, frozen or otherwise preserved but excluding those bottled, canned or packaged. | 2009.1100, 2009.1200, 2009.1900, 2009.2100, 2009.2900, 2009.3100, 2009.3900, 2009.4100, 2009.4900, 2009.5000, 2009.6100, 2009.6900, 2009.7100, 2009.7900, [8][..] and 2009.9000 |
| 27. | Ice and waters excluding those for sale under brand names or trademarks. | 2201.1010 |
| [9][28. | ***] | |
| 29. | Table salt including iodized salt excluding salt sold in retail packing bearing brand names and trademarks. | 2501.0010 |
| [10][29A. | *** | |
| 9B. | ***] | |
| [11][29C. | Glass bangles | 7020.0090] |
| [12][30. | ***] | |
| 31. | Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books. | [13][4901.9910, 8523.2100, 8523.2910, 8523.2990, [14][8523.4910], [15][8523.4920], [16][8523.4190] [...], [...], 8523.4190, 8523.5910, 8523.5990, 8523.8010, 8523.8020 and 8523.8090] |

[1] The words inserted by the Finance Act, 2007
[2] Explanation inserted by the Finance Act, 2007
[3] The figure and comma inserted by the Finance Act, 2014
[4] The figure and comma "1511.9010" omitted by the Finance Act, 2007
[5] The comma and figure inserted by Finance Act, 2008
[6] The figure and comma "1517.1000" omitted by the Finance Act, 2007
[7] S. No. 25 and the entries relating thereto omitted by the Finance Act, 2013
[8] The figure "2009.8000" omitted by Finance Act, 2017
[9] Serial No. 28 and entries relating thereto omitted by Finance Act, 2015
[10] S. Nos. 29A and 29B omitted by the Finance Act, 2011
[11] S. No. 29C inserted by the Finance Act, 2007
[12] S. No. 30 omitted by the Finance Act, 2011

[13]Substituted for the words and figures "4901.9910 and respective headings of 85.24" by the Finance Act, 2007

[14] Substituted for PCT heading "8523.4010" by Finance Act, 2012

[15] Substituted for PCT heading "8523.4030" by Finance Act, 2012

[16] Substituted for PCT heading "8523.4090" by Finance Act, 2012

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| 32. | [1][Newsprint, newspapers], journals, periodicals, books [2][***] but excluding directories. | [3][4801.0000,] 4901.9100, 4901.9990, [4][4902.1000, 4902.9000] and 4903.0000 |
| 33. | Currency notes, bank notes, shares, stocks and bonds. | [5][49.07] |
| [6][34. | *** | |
| 35. | ***] | |
| [7][36. | ***] | |
| [8][37. | ***] | |
| 38. | Monetary gold. | [9][7108.1390] [10][and 7108.2090] |
| [11][39. | ***] | |
| [12][40. | ***] | |
| [13][41. | *** | |
| 42. | *** | |
| 43. | *** | |
| 44. | ***] | |
| 45. | Dextrose and saline infusion giving sets [14][***] along with empty non-toxic bags for infusion solution, Dextrose and saline infusion giving sets, Artificial parts of the body, Intra-Ocular lenses and Glucose testing equipment. | 9018.3910, 9018.3920, 9021.3100, [15][9021.3900] and 9027.8000 |
| 46. | [16][Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and regulations made thereunder; and agreements by the Federal Government provided that such goods are charged to zero-rate of customs duty under Customs Act, 1969 (IV of 1969), and the conditions laid therein] | 99.01, 99.02, 99.03 and 99.06 |
| 47. | Import of articles of household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of Gulf Sheikhdoms who is in | 99.05 |

[1] Substituted for the word "Newspapers" by the Finance Act, 2009
[2] The comma, word and full stop ", etc." omitted by the Finance Act, 2008
[3] The figures, full stop and comma inserted by the Finance Act, 2009
[4] Substituted for the figures and comma "4902.1010, 4902.1090, 4902.9010, 4902.9090" by the Finance Act, 2009
[5] Substituted for the figure "4907.0000" by Finance Act, 2017
[6] S. Nos. 34 & 35 omitted by the Finance Act, 2011
[7] Serial number 36 omitted through Finance Act, 2019.
[8] Serial number 37 omitted through Finance Act, 2019.
[9] Substituted for the figure "7108.2000" by Finance Act, 2017
[10] The word and figures added by the Finance Act, 2007
[11] S. No. 39 and entries relating thereto omitted by Finance Act, 2015
[12] S. No. 40 omitted by the Finance Act, 2006
[13] S. Nos. 41 to 44 omitted by the Finance Act, 2011
[14] The word "imported" omitted by the Finance Act, 2007
[15] Substituted for the figures "9201.3900" by the Finance Act, 2007
[16] Substituted by the Finance Act, 2007

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| | possession of residential accommodation in Pakistan and goods including vehicles by the United Arab Emirates dignitaries as are listed in column (2) against heading No. 99.05 in column (1) of the First Schedule to the Customs Act, 1969 (IV of 1969) for their personal use and for donation to welfare projects established in Pakistan subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty on such goods under the said Act. | |
| 48. | Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the [1][Board]; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement. | 99.03 |
| 49. | Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments, including goods imported for the President's Fund for Afghan Refugees, relief goods donated for Afghan Refugees, gifts for President's Fund for Assistance of Palestine and gifts received by Pakistani organizations from Church World Services or the Catholic Relief Services subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Custom Act, 1969. | 99.07, 99.08 and 99.11 |
| 50. | Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969). | 99.09 |
| 51. | Imported samples, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969). | 99.10 |
| 52. | Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and | 99.13, 99.14, and 99.15 |

[1] Substituted for the words "Central Board of Revenue" by Finance Act, 2007

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| | procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969). | |
| [1][52A. | Goods [2][excluding electricity and natural gas] supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds. | Respective headings] |
| 53. | Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution, subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969 (IV of 1969). | 99.12, 99.13 and 99.14 |
| 54. | Educational, scientific and cultural material imported from a country signatory to UNESCO Agreement or a country signatory to bilateral commodity exchange agreement with Pakistan, subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969). | 99.15 |
| 55. | Import of replacement goods supplied free of cost in lieu of defective goods imported, subject to similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. | 99.16 |
| [3][56. | *Omitted.*] | |
| 57. | Goods (including dry fruits imported from Afghanistan) temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate of customs duty subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the | 99.19, 99.20 and 99.21 |

[1] Serial No. 52A and entries relating thereto inserted by the Finance Act, 2008
[2] The expression inserted through Finance Act, 2019.
[3] Serial No. 56 and entries relating thereto omitted by Finance Act, 2015

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| | purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969 (IV of 1969). | |
| 58. | Import of ship stores, subject to the procedures, conditions and restrictions as may be specified by the Collector of Customs in this behalf including those consignments of such stores that have been released without charging sales tax since the 1st July, 1998, but excluding such consignments of ship stores as have been cleared on payment of sales tax. | 99.22 |
| 59. | Artificial kidneys, eye cornea, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids [1][,] and powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, [2][cochlear implants systems] and angioplasty equipment (balloons, catheters, wires and stents), subject to the similar conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on these goods under the Customs Act, 1969 (IV of 1969). | 99.24 [3][, 99.25 [4][,99.37] and 99.38] |
| 60. | Contraceptives and accessories thereof. | [5][3926.9020 and 4014.1000] |
| 61. | Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969), are complied with. | Respective headings |
| [6][62. | ***] | |
| 63. | Personal wearing apparel and *bona fide* baggage imported by overseas Pakistanis and tourists, if imported under various baggage rules and is exempt from Customs duties. | Respective headings |
| [7][64. | *** | |

[1] Substituted for the word "and" by the Finance Act, 2008
[2] The comma and words inserted by the Finance Act 2014
[3] Substituted for the word and figures "and 99.25" by the Finance Act, 2008
[4] The comma and figure inserted by the Finance Act 2014
[5] Substituted for the words "Respective headings" by the Finance Act, 2007
[6] S. No. 62 omitted by the Finance Act, 2011
[7] S. Nos. 64 to 70 omitted by the Finance Act, 2011

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| 65. | *** | |
| 66. | *** | |
| 67. | *** | |
| 68. | *** | |
| 69. | *** | |
| 70. | ***.] | |
| [1][71. | Goods and services purchased by non-resident entrepreneurs and in trade fairs and exhibitions subject to reciprocity and such conditions and restrictions as may be specified by the Board. | Respective headings] |
| [2][72. | Uncooked poultry Meat [3][whether or not fresh, frozen or otherwise, preserved or packed] | 02.07 |
| [4][73. | Milk | 04.01 |
| 73A. | Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name | [5][ ] 04.02 |
| 74. | Flavored milk, excluding that sold in retail packing under a brand name | 0402.9900 |
| 75. | Yogurt, excluding that sold in retail packing under a brand name | 0403.1000 |
| 76. | Whey, excluding that sold in retail packing under a brand name | 04.04 |
| 77. | Butter, excluding that sold in retail packing under a brand name | 0405.1000 |
| 78. | *Desi* ghee, excluding that sold in retail packing under a brand name | 0405.9000 |
| 79. | Cheese, excluding that sold in retail packing under a brand name | 0406.1010 |
| 80. | Processed cheese not grated or powdered, excluding that sold in retail packing under a brand name | 0406.3000] |
| 81. | Cotton seed | [6][1207.1000] |
| 82. | Frozen prepared or preserved sausages and similar products of poultry meat or meat offal | 1601.0000 |
| 83. | Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish. | 1602.3200,1602.3900,1602.5000, 1604.1100,1604.1200,1604.1300, 1604.1400,1604.1500,1604.1600, 1604.1900,1604.2010.1604.2020, 1604.2090, [7][..]. |
| 84. | [1][Preparations suitable for infants, put up | 1901.1000 |

[1] S. No. 71 inserted by the Finance Act, 2008
[2] S. Nos. 72 to 116 inserted by the Finance Act, 2014
[3] The expression inserted through Finance Act, 2019.
[4] Substituted for S. Nos. 73 to 80 by Finance Act, 2015
[5] PCT heading "04.01 and" omitted through Finance Act, 2019.
[6] Substituted f or the figure "1207.2000" by Finance Act, 2017
[7] The figure "1604.3000" omitted by Finance Act, 2017

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| | for retail sale] | |
| 85. | Fat filled milk [2][excluding that sold in retail packing under a brand name or a trademark] | 1901.9090 |
| 86. | Colors in sets(Poster colors) | 3213.1000 |
| 87. | Writing, drawing and making inks | 3215.9010and 3215.9090 |
| 88. | Erasers | 4016.9210 and 4016.9290 |
| 89. | Exercise books | 4820.2000 |
| 90. | Pencil sharpeners | 8214.1000 |
| 91. | Energy saver lamps | [3][8539.3110] |
| 92. | Sewing machines of the household type | 8452.1010 and 8452.1090 |
| 93 | Bicycles | 87.12 |
| 94. | Wheelchairs | 8713.1000 and 8713.9000 |
| [4][95. | ***] | |
| 96. | Other drawing, marking out or mathematical calculating instruments (geometry box) | 9017.2000 |
| 97. | [5][Pens, ball pens, markers and porous tipped pens] | 96.08 |
| 98. | Pencils including color pencils | 96.09 |
| 99. | Compost (non-commercial fertilizer) produced and supplied locally | Respective Heading |
| 100. | Construction materials to [6][Gwadar] Export processing Zone's investors and to Export Processing Zone [3][Gwadar] for development of Zone's infrastructure | Respective headings |
| [7][100A | Materials and equipment [8][(plant, machinery, equipment, appliances and accessories)] for construction and operation of [3][Gwadar] Port and development of Free Zone for [3][Gwadar] Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marin Services Limited and (iv) Gwadar Free Zone Company Limited, their contractors and sub-contractors; and Ship Bunker Oils bought and sold to the ships calling on/visiting [3][Gwadar] Port, having Concession Agreement with the | Respective Headings |

[1] The expression substituted by Finance Act, 2017

[2] The expression inserted through Finance Act, 2019.

[3] Substituted for the figure "8539.3910" by Finance Act, 2017

[4] Serial number 95 and entries relating thereto is omitted through Finance Act, 2019.

[5] The expression substituted by Finance Act, 2017

[6] Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017

[7] New serial numbers 100A & 100B added through Finance Act, 2016.

[8] The expression inserted through Finance Act, 2017

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| | Gwadar Port Authority, for a period of forty year, subject to the following conditions and procedure, namely,–<br>(A). Conditions and procedure for imports.–<br>(i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold the Concession Agreement;<br>(ii) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipments are bonafide requirement for construction and operation of [1][Gwadar] Port and development of Free Zone for [1][Gwadar] Port. The authorized officer of that Ministry shall furnish all relevant information online to Pakistan Customs against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In already computerized Collectorate or Customs station, where the computerized system is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis, provided that this condition shall not apply to ship bunker oils; and<br>(iii) The goods so imported shall not be sold or disposed of without prior approval of the FBR and payment of sales tax leviable at the time of import, provided that this condition shall not apply to ship bunker oils.<br>(B). Conditions and procedure for local supply.– | |

[1] Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017

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| | (i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold Concession Agreement;<br>(ii) for claiming exemption on goods which are otherwise taxable in Pakistan, the operating companies will purchase the materials and equipment for the construction of [1][Gwadar] Port and development of Free Zone for [1][Gwadar] Port from the sales tax registered persons only;<br>(iii) invoice of the exempt supply, containing the particulars required under section 23 of the aforesaid Act, shall for each supply be issued by the registered person to the operating company mentioning thereon that the said invoice is being issued under this notification;<br>(iv) a monthly statement summarizing all the particulars of the supplies made in the month against invoices issued to the operating companies shall be prepared in triplicate by the registered persons making the exempt supplies and shall be signed by the authorized person of the registered person. All three copies of the said signed monthly statement shall be got verified by the registered person from the person authorized to receive the supplies in the office of operating company, confirming that supplies mentioned in the monthly statement have been duly received;<br>(v) after verification from the | |

[1] Spellings of "Gawadar" corrected as "Gwadar" by Finance Act, 2017

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| | operating company, original copy of the monthly statement will be retained by the registered person, duplicate by the operating company and the triplicate provided by the registered person to the Collector of Sales Tax having jurisdiction, by twentieth day of the month following the month in which exempt supplies to the operating companies were made; and<br>(vi) the registered person making the exempt supplies shall keep the aforesaid record for presentation to the sales tax department as and when required to do so. | |
| [1][100B] | Supplies made by the businesses to be established in the Gwadar Free Zone for a period of twenty-three years within the Gwadar Free Zone, subject to the condition that the sales and supplies outside the Gwadar Free Zone and into the territory of Pakistan shall be subjected to sales tax. | Respective headings |
| [1][100C. | Vehicles imported by China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marine Services Limited and (iv) Gwadar Free Zone Company Limited, for a period of twenty-three years for construction, development and operations of Gwadar Port and Free Zone Area subject to limitations, conditions prescribed under PCT heading 9917 (3)] | Respective headings |
| 101. | Raw and pickled hides and skins, wet blue hides and skins, finished leather, and accessories, components and trimmings, if imported by a registered leather goods manufacturer, for the manufacture of goods wholly for export, provided that conditions, procedures and restrictions | Respective headings |

[1] New S.No. 100C and entries relating thereto inserted through Finance Act, 2017

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| | laid down in rules 264 to 278 of the Customs Rules, 2001 are duly fulfilled and complied with. | |
| 102. | Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such machinery, equipment, materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall *mutatis mutandis*, apply. | Respective headings |
| 103. | Import and supply thereof, up to the year 2020, of ships [1][….] and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity and flying the Pakistan flag, except ships or crafts acquired for demolition purposes or are designed or adapted for use for recreation or pleasure purposes, subject to the condition that such ships or crafts are used only for the purpose for which they were procured and in case such ships or crafts are used only for the purpose for which they were procured, and in case such ships or crafts are used for demolition purposes within a period of five years of their acquisition, sales tax applicable to such ships purchased for demolition purposes shall be chargeable. | Respective headings |
| 104. | Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature, namely:-<br><br>(a) filled infusion solution bags imported with or without infusion given sets;<br>(b) scrubs, detergents and | Respective Headings |

[1] Expression "of gross tonnage of less than 15 LDT" omitted through Finance Act, 2016

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| | washing preparations;<br>(c) soft soap or no soap;<br>(d) adhesive plaster;<br>(e) surgical tapes;<br>(f) liquid paraffin;<br>(g) disinfectants, and<br>(h) cosmetics and toilet preparations. | |
| 105. | Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding [1][eleven] per cent *ad valorem*, either under the First Schedule [2][or Fifth Schedule] to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof. | Respective headings. |
| 106. | Import of *Halal* edible offal of bovine animals | 0206.1000, [3][..],0206.8000 and 0206.9000 |
| 107. | Import and supply of iodized salt bearing brand names and trademarks whether or not sold in retail packing. | 2501.0010 |
| 108. | Components or sub-components of energy saver lamps, namely:-<br>(a) Electronic Circuit<br>(b) Plastic Caps (upper and lower)<br>(c) Base Caps B22 and E27<br>(d) Tungsten Filaments<br>(e) Lead-in-wire<br>(f) Fluorescent powder (Tri Band Phospher)<br>(g) Adhesive Additive<br>(h) Al-oxide Suspension<br>(i) Capping Cement | <br>8539.9040<br>8539.9040<br>8539.9040<br>8539.9040<br>8539.9040<br>3206.5010<br>3824.9099<br>[4][3824.8400]<br>3214.1050 |

[1] For the word "ten" word "eleven" substituted through Finance Act, 2016.
[2] Inserted by Finance Act, 2015
[3] The figure "0206.2000" omitted by Finance Act, 2017
[4] Substituted for the figure "3824.9090" by Finance Act, 2017

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| | (j) Stamp Pad Ink<br><br>(k) Gutter for Suspension | 3215.9010<br><br>2850.0000 |
| 109. | Goods imported temporarily with a view to subsequent, exportation as concurred by the Board, including passenger service item, provision and stores of Pakistani Airlines. | Respective Headings |
| 110. | The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad [1][for the period ending on the 30th June, 2023]:-<br><br>(a) Solar PV panels;<br><br>(b) LVD induction lamps;<br><br>(c) SMD, LEDs, with or without ballast, with fittings and fixtures;<br><br>(d) Wind turbines including alternators and mast;<br><br>(e) Solar Torches;<br><br>(f) Lanterns and related instruments;<br><br>(g) PV modules along with related components, including invertors, charge controllers and batteries.<br><br>(h) [2][Tubular day lighting device.<br><br>(i) Energy saver lamps and tube lights of varying voltages (operating on AC or DC).<br><br>(j) Invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT). | 8541.5000<br><br>[3][8539.3290]<br><br>[4][8539.3290, [5][8539.5010, 8539.5020] and 9405.4090]<br><br>8502.3100<br><br>8513.1040<br><br>8513.1090<br><br>8541.4000 , 8504.4090, 9032.8990 and 8507.0000<br><br>9405.5010<br><br>8539.3110, 8539.3120<br><br>8504.4090 |
| 111. | [1][…….] omitted | […….] |

[1] Expression inserted by Finance Supplementary (Second Amendment) Act, 2019

[2] Against S.No.110, after sub-serial "g" new sub-serials "h, i and j" added through Finance Act, 2016.

[3] For the figure "8539.3990" the figure "8539.3290" substituted through Finance Act, 2016.

[4] For the figure "9405.1090" the figures "8539.3290, 8543.7090 and 9405.4090" substituted through Finance Act, 2016.

[5] Substituted for figure "8543.7090" by Finance Act, 2017

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| 112. | Following cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery, endoscopy, oncology, urology, gynaecology, disposables and other equipment:--<br>**A. ANGIOPLASTY PRODUCTS**<br><br>1. Coronary Artery Stents<br>2. Drugs Eluting Coronary Artery Stents<br>3. Coronary Artery Dilatations Catheters (Balloons)<br>4. PTCA Guide Wire<br>5. PTCA Guiding Catheters<br>6. Inflation Devices/Priority Packs<br>7. [2][Optical Coherence Technology (OCT) System<br>8. OCT Catheters<br>9. Intravascular Ultrasound (IVUS)<br>10. Fractional Flow Reserve (FFR/IFR) System<br>11. IVUS/FFR/IFR Catheters and wires<br>12. Support Micro Catheters (Straight and Angled)<br>13. Drug Coated Angioplasty Balloon<br>14. Coronary and Peripheral Micro Coils<br>15. Thrombectomy Device<br>16. Thrombus Aspiration Catheters<br>17. Covered Stents (Coronary/Peripheral)<br>18. Vessel Closure Devices<br>19. Embolic Protection Devices<br>20. Renal Stents<br>21. Vena-cava Filters<br>22. Coronary and Peripheral Snares<br>23. Atherectomy Devices<br>24. IABP Consoles & Catheters<br>25. Intracardiac Echocardiography Machine & Catheters]<br><br>**B. ANGIOGRAPHY PRODUCTS**<br><br>1. Angiography Catheters<br>2. Sheaths<br>3. Guide Wires<br>4. Contrast Lines<br>5. Pressure Lines<br>6. Mannifolds | Respective headings |

[1] Serial No. 111, expression "White crystalline sugar" omitted through Finance Act, 2016.

[2] New sub-serial No(s) 7 to.25 under entry A of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.

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| | 7. [1][Wrist Bands for Radial Vessel Closure]<br><br>**C. CONTRAST MEDIA FOR ANGIOGRAPHY/ANGIOPLASTY**<br><br>1. Angiography Accessories<br>2. ASD Closure Devices<br>3. ASD Delivery Systems<br>4. VSD Closure Devices<br>5. VSD Delivery System<br>6. Guide Wires<br>7. Sizing Balloons<br>8. Sizing Plates<br>9. PDA Closure Devices<br>10. PDA Delivery System<br><br>**D. TEMPORARY PACEMAKERS** (with leads, connectors and accessories)<br><br>**E. PERMANENT PACEMAKER.** (with leads, connectors and accessories)<br><br>**F. HEART FAILURE DEVICES** (with leads, connectors and accessories)<br><br>**G. IMPLANTABLE CARDIOVERTES** (with leads, connectors and accessories)<br><br>**H. CARDIAC ELECTRO-PHYSIOLOGY PRODUCTS**<br><br>1. Electrophysiology catheters<br>2. Electrophysiology cables<br>3. Electrophysiology connectors<br>4. [2][Excimer Laser System with Accessories<br>5. Laser Sheath, Occlusion Balloons, Dilator Sheaths (Rotation & Manual)<br>6. Intra Cardiac Echocardiography (ICE) System and Accessories<br>7. Lead Locking Devices and Accessory Kit | |

[1] New sub-serial No. 7 under entry B of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.

[2] New sub-serial No(s) 4 to 11 under entry H of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.

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| | 8. Remote EP Monitoring Device and Accessories<br>9. Ablation catheters<br>10. 3-D Cardiac Mapping System<br>11. Cryoballoon System and Accessories]<br><br>**I. LEAR CARDIOLOGY PRODUCTS**<br><br>1. Radioactive isotopes<br>**I.** Cold kits (cardiolotic MAA, DTPA etc.)<br><br>**J. CARDIAC SURGERY PRODUCTS**<br><br>1. Oxygenators<br>2. Cannulas<br>3. Prosthetic Heart Valves<br>4. Luminal shunts for heart surgery<br>5. Artificial limbs and appliances<br>6. [1][High-Flow, Low-Profile Percutaneous Heart Pump PHP Console and Catheters<br>7. Tandem Heart / Tandem Lung and Accessories<br>8. Ventricular Assist Device System<br>(a) Heart Mate-II<br>(b) Heart Mate-III<br>(c) Centri Meg LEOV<br><br>9. Beating Heart Surgery stabilizers & Coronary Shunts<br>10. Minimally invasive surgery equipment & Instruments<br>11. RF Ablation equipment for AF (Surgical)<br>12. Heart Lung Machines]<br><br>**K. EQUIPMENT**<br><br>1. Cardiac Angiography Machine<br>2. Echocardiography Machines<br>3. ETT Machines<br>4. Gamma Camera for Nuclear Cardiology Studies<br>5. [2][Left Ventricular Assist Device / System (LVAD) and Catheters<br>6. MitraClipTranscatheter Mitral Valve | |

[1] New sub-serial No(s) 6 to 12 under entry J of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.

[2] New sub-serial No(s) 5 to 18 under entry K of S.No. 112 and entries relating thereto added by Finance Supplementary (Amendment) Act, 2018.

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| | System<br>7. MitraClip Guide Catheter, Clip and Delivery System<br>8. Patent Foramen Ovale (PFO) Closure Device<br>9. Left Atrial Appendage (LAA) Occluder<br>10. Transcatheter Aortic / Heart Valve System (TAVI/TAVR)<br>11. Cerebral Retrievable Stents<br>12. Aortic Stent Grafts<br>13. Embolization Coils, Delivery System, Filling Coil<br>14. Abdominal Aortic Aneurysm (EVAR) System and Accessories/ thoracic EVAR/ extension<br>15. Insertable Cardiac Monitor (ICM)<br>16. Carotid Stents<br>17. Vascular Clips<br>18. MRI Compatible Cardiac Monitor, Infusion Pump, Anesthesia Machine with Accessories]<br><br>**L. PERIPHERAL INTERVENTIONS EQUIPMENT**<br><br>Disposables and other equipment for peripheral interventions including stents (including carotid and wall stents), balloons, sheaths, catheters, guide wires, filter wires, coils, needles, valves (including rotating homeostatic valves), connecting cables, inflation devices adapters [1]["Drug Eluting Peripheral Stents"]. | |
| 113. | High Efficiency Irrigation Equipment (If used for agriculture sector)<br><br>(1) Submersible pumps (up to 75 lbs and head 150 meters)<br><br>(2) Sprinklers including high and low pressure (centre pivotal) system, conventional sprinkler equipment, water reel travelling sprinkler, drip or trickle irrigation equipment, mint irrigation sprinkler system<br><br>(3) Air release valves, pressures gauges, | <br><br>8413.7010<br><br>[2][8424.4100], 8424.2010<br><br>8481.1000, 8481.3000, 9026.2000, |

[1] Words "Drug Eluting Peripheral Stents" under entry L of S.No. 112 added by Finance Supplementary (Amendment) Act, 2018.
[2] Substituted for the figure "8424.8100" by Finance Act, 2017

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| | water meters, back flow preventers, and automatic controllers. | 9032.8990 |
| 114. | Green House Framing and Other Green House Equipment (If used for Agriculture Sector)<br><br>(1) Tunnel farming equipment [1][consisting of plastic covering and mulch film, anti-insect net and shade net]<br>(2) Green houses (prefabricated) | <br><br>[2][3920.1000, 3926.9099, 5608.1900, 5608.9000,]<br><br>[3][9406.1010 and 9406.9010] |
| 115. | Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan Province and Malakand Division upto the 30th June, 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969). | Respective headings |
| 116. | Plant, machinery and equipment imported for setting up industries in FATA upto 30th June 2019 subject to the same conditions and procedure as are applicable for import of such plant, mach<br><br>inery and equipment under the Customs Act, 1969 (IV of 1969). | Respective headings.] |
| [3a][4][117. | Appliances and items required for ostomy procedures as specified in the Chapter 99 of the First Schedule to the Customs Act, 1969, subject to same conditions as specified therein] | 99.25 |
| [5]118. | [omitted] | [.....] |
| 119. | [6][.....] omitted | [.....] |
| 120. | Diagnostic kits or equipment, namely:-<br><br>HIV Kits<br>4C Es Trionyx<br>5C Cell control Lnormal | 3822.0000 |

[1] Words and comma inserted by Finance Act, 2015
[2] Inserted for the figures and comma "8430.3100, 8430.3900" by Finance Act, 2015
[3] Substituted for the figure "9406.0010" by Finance Act, 2017
[3a] Serial number 117 to 129 inserted by Finance Act, 2017
[4] S.No. 117 substituted by Finance Supplementary (Second Amendment) Act, 2019
[5] S.No. 118 omitted by Finance Supplementary (Second Amendment) Act, 2019
[6] Serial No. 119, expression "Tubular day.." omitted through Finance Act, 2016.

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| | Bovine precision multi sera<br>Pregnancy test<br>DNA SSP DRB Generic IC<br>Reticulocyte count (control) retic C Control<br>Kit for vitamin $B_{12}$ estimation<br>Ferritin kit<br>HEV (Hepatitis E virus)<br>ID-DA Cell<br>Urine Analysis Strips<br>Albumin beg<br>Cratinin sysi<br>Ring<br>Detektiion cups<br>ISE Standard<br>Alkaline phosphatase (Alb)<br>Bilirubin kit<br>HDL Cholesterol<br>Ck creatinin kinase (mb)<br>Ck nac<br>Glulcose kit<br>Ammonia Modular<br>Lac<br>Ldh kit (lactate dehydrogenase kit)<br>Urea uv kit<br>Ua plus<br>Tina quant<br>Crp control<br>Aslo tin<br>Proteins<br>Lipids<br>HDL/LDL cholesterol<br>Protein kit<br>U<br>Control Sera<br>Pac | |

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| | Control<br>HCV<br>UIBC (Unsaturated iron binding capacity)<br>U/CSF<br>Inorganic Phosphorus kit<br>Kit amplicon kit (for PCR)<br>Ige<br>Lc hsv<br>Oligo<br>NA/K/CL<br>Hcy<br>Standard [or calibrated]<br>Hla B27<br>Liss Coombs<br>Typhoid kit<br>HCV amp<br>Urine test strips<br>Strips for sugar test<br>Blood glucose test strips<br>Kits for automatic cell separator for collection of platelets<br>Elisa or Eclia kit<br>PCR kits<br>Immunoblast (western blot test).<br>I.C.T. (Immunochromatographic kit)<br>CBC Reagent (For hematology analyzer) Complete blood count reagent | |
| 121. | Blood Bag CPDA-1 with blood transfusion set pack in aluminium foil with set. | Respective headings |
| 122. | Urine drainage bags | Respective headings |
| 123. | Aircraft, whether imported or acquired on wet or dry lease [1][:]<br>Provided that in case of import or acquisition on wet or dry lease by Pakistan International Airlines | 8802.4000 |

[1] Colon and proviso added through Finance Act, 2016.

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| | Corporation, this exemption shall be available with effect from 19th March, 2015. | |
| 124. | Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000 | Respective headings |
| 125. | Spare parts for use in aircrafts, trainer aircrafts or simulators | Respective headings |
| 126. | Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division. | Respective headings |
| 127. | Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division. | Respective headings |
| 128. | Aviation simulators imported by airline company recognized by Aviation Division. | Respective headings |
| 129. | Import of plant, machinery and production line equipment used for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by the Pakistan Telecommunication Authority. | Respective headings] |
| [1][130. | [2][Sodium Iron (Na Fe EDTA), and other premixes of vitamins, minerals and micro-nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969] | Respective Headings, and subject to conditions imposed for importation under the Customs Act, 1969; |
| 131. | Laptop computers, notebooks whether or not incorporating multimedia kit | 8471.3010 |
| 132. | Personal computers | 8471.3020 |
| 133. | Pesticides and their active ingredients registered by the Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971(II of 1971), stabilizers, emulsifiers and solvents, namely:− | 38.08 |
| | Xylol (xylenes) | 2707.3000 |
| | - Beta Pinene / Agrotin 527 / Terpenic derivative | 2902.1990 |

[1] Serial No(s) 130 to 133 added through Finance Act, 2016.

[2] The expression substituted by Finance Act, 2017

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| | Toluene | 2902.3000 |
| | Mixed xylene isomers | 2902.4400 |
| | Naphthalene | 2902.9010 |
| | Solvesso-100, 150, 200 | 2902.9090 |
| | [1][..] | [1][..] |
| | [2][..] | [2][..] |
| | Methanol (methyl alcohol) | 2905.1100 |
| | Propylene glycol (propane-1, 2-diol) | 2905.3200 |
| | - Adhesives Polyvinyl Acetate<br>- Polyvinyl Alcohol | 2905.4900 |
| | Ingredients for pesticides | 2906.2910 |
| | Other ingredients for pesticides | 2906.2990 |
| | - Solvenon MP / 1-Methoxy 2-Propanol<br>- Methyglycol Acetate | 2909.4910 |
| | Methanal (formaldehyde) | 2912.1100 |
| | Cyclo-hexanone and methyl- cyclo-hexanones | 2914.2200 |
| | - Cyclohexanon<br>- Cyclohexanone Mixed petroleum Xylene (1,2 & 1,3 & 1,4 dimethyl benzene and ethyle benzene) | 2914.2990 |
| | Acetic anhydride | 2915.2400 |
| | Ingredients for pesticides | 2916.3920 |
| | Dioctyl orthophthalates | 2917.3200 |
| | [3][..] | [3][..] |
| | [4][..] | [4][..] |
| | [5][..] | [5][..] |
| | Endosulfan Technical Material | 2920.9020 |
| | Other ingredients for pesticides | 2920.9090 |
| | Diethylamine and its salts | 2921.1200 |
| | Ingredients for pesticides | 2921.4310 |
| | Other Ingredients for pesticides | 2921.4390 |
| | Ingredients for pesticides | 2921.5110 |
| | [6][..] | [6][..] |
| | Dimethyl Formamide (DMF) | 2924.1990 |
| | [7][..] | [7][..] |
| | Other Ingredients for pesticides | 2924.2990 |
| | Alpha cyano, 3-phenoxybenzyl (-) cis, trans 3-(2,2-diclord vinyl) 2,2 dimethyl cyclopropane carboxylate | 2926.9010 |
| | (S) Alpha cyano, 3-phenoxybenzyl (S)-2-(4, chloro phenyl)-3 mehtyl butyrate | 2926.9020 |
| | Cyano, 3-phenony benzyl 2,2,3,3 tetra | 2926.9030 |

[1] The words "ingredients for pesticides" and the figure "2903.3040" omitted by Finance Act, 2017

[2] The words "Cadusafos Technical Material" and figure "2903.6900" omitted by Finance Act, 2017

[3] The words "ingredients for pesticides" and the figure "2918.9010" omitted by Finance Act, 2017

[4] The words "ingredients for pesticides" and the figure "2919.0010" omitted by Finance Act, 2017

[5] The words "other ingredients for pesticides" and the figure "2919.0090" omitted by Finance Act, 2017

[6] The words "Tiethanolamine and its salts" and the figure "2922.1300" omitted by Finance Act, 2017

[7] The words "ingredients for pesticides" and the figure "2924.2930" omitted by Finance Act, 2017

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| | methyl cyclopropane carboxalate | |
| | - Cypermethrin, Alpha Cypermethrin, Beta-Cypermethrin, Zeta-Cypermethrin, Lambda Cylalothrin, Deltamethrin, Fenpropathrin, Esfenvalerate, Bifenthrin Technical Material- Acetamiprid, Imidacloprid Technical Material- Monomehypo, Chlorothalonil Technical Material- Bromoxynil Technical Material | 2926.9050 |
| | Other nitrite compounds- Cyfluthrin, Beta Cyfluthrin Technical Material | 2926.9090 |
| | 2-N, N-Dimethyl amino-I sodium thiosulphate, 3-thiosulfourropane | 2930.2010 |
| | Ingredients for pesticides | 2930.2020 |
| | 2- N,N-dimethyamino 1,3 disodium thiosulphate propane | 2930.9010 |
| | Other orgonosulpher compounds<br>- Ethion, Methamidophos Technical Material<br>- Dimethysulfoxid | 2930.9090 |
| | Ingredients for pesticides | 2931.0010 |
| | Other Ingredients for pesticides | 2931.0090 |
| | Ingredients for pesticides | 2932.2920 |
| | 2,3 Dihydro 2-2 dimethyl-7 benzo furanyl methyl-carbamate | 2932.9910 |
| | Other ingredients for pesticides<br>- Carbosulfan Technical Material | 2932.9990 |
| | Fipronil | 2933.1900 |
| | Ingredients for pesticides | 2933.3930 |
| | Other Ingredients for pesticides | 2933.3990 |
| | - Chlorpyrifos, Triazophos, Diazinon Technical Material | 2933.5950 |
| | Other Ingredients for pesticides | 2933.5990 |
| | Pyrimethanine | 2933.6910 |
| | Ingredients for pesticides | 2933.6940 |
| | - Atrazine Technical Material | 2933.6990 |
| | Isatin (lactam of istic acid) | 2933.7910 |
| | 1-Vinyl-2-pyrrol-idone | 2933.7920 |
| | - Triazophos Technical Material | 2933.9910 |
| | Ingredients for pesticides | 2934.1010 |
| | Ingredients for pesticides | 2934.9920 |
| | -Methyl benzimidazol – 2 – ylcarbamate.<br>-Dicopper chloride trihydroxide | 2938.9010 |
| | Ingredients for pesticides | [1][2939.8010] |
| | - Abamectin, Emamectin Technical Material | 2941.9050 |
| | Other Ingredients for pesticides | 2941.9090 |

[1] Substituted for the figure "2939.9910" by Finance Act, 2017

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| | Sulphonic acid (Soft) | 3402.1110 |
| | Other surface active agents | 3402.1190 |
| | Catonic | 3402.1290 |
| | Non ionic surface active agents | 3402.1300 |
| | Other organic surface active agents | 3402.1990<br>3402.9000 |
| | Chemical preparations | [1][3824.9999] |
| | Solvent C-9 | 2707.5000 |
| [2][134. | Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector organization subject to recommendations of the Cabinet Division and concurrence by the Federal Board of Revenue. | 9908 |
| [2][135. | Sunflower and canola hybrid seeds meant for sowing | Respective heading |
| [2][136. | Combined harvesters upto five years old | 8433.5100] |
| [3]["137. | Paper weighing 60 g/m2 for printing of Holy Quran imported by Federal or Provincial Governments and Nashiran-e-Quran as per quota determined by IOCO | 4802.5510 |
| 138. | Fish Feed | Respective heading |
| 139. | Fans for dairy farms | 8414.5990 |
| 140. | Bovine semen | 0511.1000 |
| 141. | Preparations for making animal feed | 2309.9000 |
| 142. | Promotional and advertising material including technical literature, pamphlets, brochures and other give-aways of no commercial value, distributed free of cost by the exhibitors | 9920(3) |
| 143. | (i) Hearing aids (all types and kinds) (ii) Hearing assessment equipment;<br>(a) Audiometers<br>(b) Tympanometer<br>(c) ABR<br>(d) Oto Acoustic Omission | 9937 |
| 144. | Liquefied Natural Gas imported by fertilizer manufacturers for use as feed stock | 2711.1100 |
| 145. | Plant, machinery, equipment including dumpers and special purpose motor vehicles, if not manufactured locally, imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL) for the construction of Karachi | Respective heading |

[1] Substituted for the figure "3824.9099" by Finance Act, 2017

[2] New S.No(s) 134, 135 & 136 and entries relating thereto inserted through Finance Act, 2017

[3] New S.No(s) 137 to 149 and entries relating thereto inserted through Finance Act, 2018.

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| | – Peshawar Motorway (Sukkur – Multan Section) and M/s China Communication Construction Company (M/s CCCC) for the construction of Karakorum Highway (KKH) Phase-II (Thakot - Havellian Section) subject to the following conditions:<br>(i) that the exemption under this serial number shall only be available to contractors named above;<br>(ii) that the equipment and construction machinery imported under this serial number shall only be used for the construction of the respective allocated projects;<br>(iii) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-A, at the time of import to the extent of sales tax exempted under this serial number on consignment to consignment basis;<br>(iv) that the Ministry of Communications shall certify in the prescribed manner and format as set out in Annex-B that the imported equipment and construction machinery are bona fide requirement for construction of Sukkur – Multan Section (392.0 km) of Karachi – Peshawar Motorway or for the construction of Karakorum Highway(KKH) Phase-II - Thakot to Havellian Section (118.057 km) as the case may be;<br>(v) for the clearance of imported goods through Pakistan Customs Computerized System the authorized officer of the Ministry shall furnish all relevant information, as set out in Annex-B, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Director Reforms and Automation or any other person authorized by the Collector | |

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| | in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;<br>(vi) that the equipment and construction machinery, imported under this serial number, shall not be re-exported, sold or otherwise disposed of without prior approval of the FBR. In case goods are sold or otherwise disposed of with prior approval of FBR the same shall be subject to payment of sales tax as may be prescribed by the FBR;<br>(vii) in case the equipment and construction machinery, imported under this serial number, is sold or otherwise disposed of without prior approval of the FBR in terms of para (vi) above, the same shall be subject to payment of statutory rates of sales tax as were applicable at the time of import;<br>(viii) notwithstanding the condition at para (vi) and (vii) above, equipment and construction machinery, imported under this serial number, may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any sales tax , for further disposal as may be prescribed by the FBR;<br>(ix) the indemnity bond submitted in terms of para (iii) above by the importer shall be discharged on the fulfillment of conditions stipulated at para (vi) or (vii) or (viii) above, as the case may be; and<br>(x) that violation of any of the above mentioned conditions shall render the goods liable to payment of statutory rate of sales tax leviable on the date of clearance of goods in addition to any other penal action under relevant provisions of the law. | |

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| 146. | Equipment imported by M/s China Railway Corporation to be furnished and installed in Lahore Orange Line Metro Train Project subject to the following conditions:<br>(a) that the equipment imported under this serial number shall only be used in the aforesaid Project;<br>(b) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-C to this serial number, at the time of import to the extent of sales tax exempted under this serial number on consignment to consignment basis;<br>(c) that the Punjab Mass Transit Authority, established under the Punjab Mass Transit Authority Act, 2015 (ACT XXXIII of 2015), hereinafter referred as the Regulatory Authority, shall certify in the prescribed manner and format as set out in Annex-D to this serial number that the imported equipment is bona fide requirement of the Project under the Contract No. PMA-CR-NORINCO-OL, dated 20.04.2015, hereafter referred as the contract, signed between the Regulatory Authority and CR-NORINCO;<br>(d) in the event a dispute arises whether any item is entitled to exemption under this serial number, the item shall be immediately released by the Customs Department against a corporate guarantee, valid for a period of six months, submitted by the importer. A certificate from the Regulatory Authority duly verified by the Transport and Communication Section of the Ministry of Planning, Development and Reform, that the item is covered under this serial number shall be given due consideration by the Customs Department towards finally resolving the dispute;<br>(e) for the clearance of imported equipment through Pakistan Customs Computerized System the authorized officer of the Regulatory Authority shall furnish all relevant information, as set out in Annex-D to this serial number, online against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In | Respective heading |

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| | Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Director Reforms and Automation or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis;<br>(f) that the equipment, imported under this serial number, shall not be re-exported, sold or otherwise disposed of without prior approval of the Federal Board of Revenue (FBR). In case goods are sold or otherwise disposed of with prior approval of FBR the same shall be subject to payment of sales tax as may be prescribed by the FBR;<br>(g) in case the equipment, imported under this serial number, is sold or otherwise disposed of without prior approval of the FBR in terms of condition (f), the same shall be subject to payment of statutory rates of sales tax as were applicable at the time of import;<br>(h) notwithstanding the condition (f) and (g), equipment imported under this serial number may be surrendered at any time to the Collector of Customs having jurisdiction, without payment of any sales tax, for further disposal as may be prescribed by the FBR;<br>(i) the indemnity bond submitted in terms of condition (b) above shall stand discharged on submission of a certificate from the Regulatory Authority to the effect that the equipment has been installed or consumed in the said Project. In case the equipment is not consumed or installed in the project the indemnity bond shall be discharged on fulfillment of conditions stipulated at (f) or (g) or (h), as the case may be; and<br>(j) that violation of any of the above conditions shall render the goods liable to payment of statutory rate of sales tax leviable on the date of clearance of goods in addition to any other penal action under relevant provisions of the law. | |

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| | Explanation. For the purpose of this provision, "equipment" shall mean machinery, apparatus, materials and all things to be provided under the contract for incorporation in the works relating to Lahore Orange Line Metro Train Project. | |
| 147. | Goods supplied to German Development Agency (Deutsche Gesellschaft für Internationale Zusammenarbeit) GIZ | Respective heading |
| 148. | Imported construction materials and goods imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi-Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment of same conditions, limitations and restrictions as are specified under S. No. 145 of this table, provided that total incidence of exemptions of all duties and taxes in respect of construction materials and goods imported for the project shall not exceed ten thousand eight hundred ninety-eight million rupees including the benefit of exemption from duties and taxes availed before 30th June, 2018 under the provisions of the Sales Tax Act, 1990, the Customs Act, 1969, the Federal Excise Act, 2005 and the Income Tax Ordinance, 2001 and Notifications issued thereunder; | Respective heading |
| 149. | Micro feeder equipment | 8437.8000 |
| [1][150 | Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland Revenue having jurisdiction:−<br>**Conditions:**<br>(a) the importer is registered under the Act on or after the first day of July, 2019; and<br>(b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking | Chapters 84 and 85] |

[1] New S.No.150 inserted by Finance Supplementary (Second Amendment) Act, 2019

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| | in Pakistan | |
| [1][151. | (a) Supplies; and<br>(b) imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic of Pakistan,−<br>as made till 30th June, 2023, to which the provisions of the Act or the notifications issued thereunder, would have not applied had Article 247 of the Constitution not been omitted under the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018):<br>Provided that, in case of imports, the same shall be allowed clearance by the Customs authorities on presentation of a post-dated cheque for the amount of sales tax payable under the Sales Tax Act, 1990, and the same shall be returned to the importer after presentation of a consumption or installation certificate, as the case may be, in respect of goods imported as issued by the Commissioner Inland Revenue having jurisdiction:<br>Provided further that if plant, machinery and equipment, on which exemption is availed under this serial number, is transferred or supplied outside the tribal areas, the tax exempted shall be paid at applicable rate on residual value | Respective heading |
| 152. | Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 30th June, 2023, to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding steel and ghee or cooking oil industries | 2716.0000 |
| 153. | Steel billets, ingots, ship plates, bars and other long re-rolled profiles, on such imports and supplies by the manufacturer on which federal excise duty is payable in sales tax mode | Respective headings] |

**[1][Annex-I**

[1] New serial numbers 151, 152 and 153 and entries relating thereto in column (2) and (3) inserted through Finance Act, 2019.

**[see serial No. 100A & 100B]**

| Header Information | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NTN/FTN of Importer | | | | | | | Approval No. | | | | |
| (1) | | | | | | | (2) | | | | |
| Details of materials and equipments (to be filled in by the authorized officer of the Ministry of Ports and Shipping) | | | | | | | Goods imported (Collectorate of import) | | | | |
| HS code | Description | Specs | Customs duty rate (applicable) | Rate of sales tax | WHT | Quantity | UOM | Quantity imported | Collectorate | CRN/ | Date of CRN/ Mach No. |
| (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |

| Header Information | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NTN/FTN of Importer | | | | | | | Approval No. | | | | |
| (1) | | | | | | | (2) | | | | |
| Details of materials and equipments (to be filled in by the authorized officer of the Ministry of Ports and Shipping) | | | | | | | Goods imported (Collectorate of import) | | | | |
| HS code | Description | Specs | Customs duty rate (applicable) | Rate of sales tax | WHT | Quantity | UOM | Quantity imported | Collectorate | CRN/ | Date of CRN/ Mach No. |
| (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |

NOTE 1.– Before certifying, the authorized officer of the Ministry of Ports and Shipping shall ensure that the goods are genuine and bona fide requirement for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port.

Signature_____

[1] Annexure-I inserted through Finance Act, 2016.

Designation _____

NOTE 2.– In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969 (IV of 1969).

[1][**Annex-A**

[See condition 145(iii)]

**INDEMNITY BOND**

( On appropriately stamped non-judicial paper )

THIS DEED OF INDEMNITY is made on the _____ date of _____BETWEEN Messrs_____ having registered office at _____(hereinafter called "the importers" which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of Pakistan through the Collector of Customs _____ (hereinafter called the "Collector of Customs"), of the other part.

WHEREAS the Federal Government, by its decision contained in serial number 145 or serial number 148 of this table, as the case may be, and subject to the conditions given in the said serial number 145 or serial number 148 of this table, as the case may be, has been pleased to direct that such equipment and construction machinery, as are not manufactured locally, shall be exempt from the whole of sales tax leviable thereon, in accordance with the said serial number 145 or serial number 148 of this table, as the case may be, if imported for :-

(i) construction of Sukkur – Multan Section (392.0 km) of Karachi – Peshawar Motorway or

(ii) for the construction of Karakorum Highway (KKH) Phase-II - Thakot to Havellian Section (118.057 km).

AND WHEREAS M/S._____ having registered office at _____ (hereinafter called the importers) have imported the equipment and/or construction machinery mentioned in the said serial number 145 or serial number 148 for purposes of construction of above mentioned project(s) in accordance with the conditions given in the said serial number 145 or serial number 148 of this table, as the case may be;

NOW, THEREFORE, in consideration of the release of the equipment and/or construction machinery without recovery of leviable sales tax, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. _____ being the sales tax and charges leviable on the machinery, if the importers fail to fulfill the condition (vi) or (vii) or (viii) of the said serial number 145 or serial number 148 of this table, as the case may be.

The importers further agree and bind themselves that the amount covered by this Bond shall be recovered as arrears of sales tax under section 202 of the Customs Act, 1969. This Bond shall become void when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said serial number 145 or serial number 148 of this table, as the case may be.

Signed by importers on this _____ day of _____201_.

**Managing Director**
**(Name and permanent address)**
**Collector of Customs**
**(On behalf of President)**

Witness _____
(signature, name, designation and full address)
Witness _____
(signature, name, designation and full address)

[1] New Annexures A, B, C & D inserted by Finance Act, 2018.

Note: The bond shall be written on appropriate non-judicial stamp paper and shall be witnessed by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Schedule Bank.

**Annex-B**

[See condition 145 (iv) and (v)]

| NTN or FTN of Importer | | Approval No. | | |
|---|---|---|---|---|
| (I) | | (II) | | |
| Details of input goods (to be filled by the authorized officer of the Regulatory Authority) to be imported | | | | |
| Description and specifications. | Quantity/UOM | L/C No. or bank contract No. and B/L. | IGM No. Date & Index No. | Remarks, if any. |
| (1) | (2) | (3) | (4) | (5) |

CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY AUTHORITY:

It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirement and are *bona fide* requirement of the project. It is further certified that the above items shall not be used for any other purpose except for the project.

Signature: _____

Name & Designation:_____

Official Stamp: _____

Date: _____

**Note**: - For the purposes of this serial number 145, the expression "not manufactured locally" shall mean the goods which are not listed in the locally manufactured items in the Customs General Order issued by the Federal Board of Revenue from time to time.

**Annex-C**

[See condition 146(b)]

**INDEMNITY BOND**

(On appropriately stamp non-judicial paper attested by a Government servant in BPS 17 or above, an Oath Commissioner, a Notary Public or an officer of a Scheduled Bank)

THIS DEED OF INDEMNITY is made on the _____ date of _____BETWEEN Messrs_____ having registered office at _____ (hereinafter called "the importers" which means and includes their successors, administrators, executors and assignees) of the one part, AND the President of the Islamic Republic of Pakistan through the Collector of Customs _____ (hereinafter called the "Collector of Customs"), of the other part.

WHEREAS the Federal Government, by its decision contained in serial number 146 and subject to the conditions given in the said serial number 146, has been pleased to direct that such equipment shall be exempt from the whole of sales tax leviable thereon, in accordance with the said serial number 146, if imported for Lahore Orange Line Metro Train Project.

AND WHEREAS M/S._____, the importers have imported the equipment mentioned in the said serial number 146 for the above mentioned project in accordance with the conditions given in the said serial number 146;

NOW, THEREFORE, in consideration of the release of the equipment without recovery of leviable sales tax, the importers bind themselves to pay on demand to the Government of Pakistan the sum of Rs. _____ being the sales tax and charges leviable on the equipment, if the importers fail to fulfill the condition (f) or (g) or (h) of the said serial number 146, as the case may be.

The importers further agree and bind themselves that the amount covered by this Indemnity Bond shall be recovered as arrears of sales tax under section 202 of the Customs Act, 1969. This Bond shall stand revoked automatically when the Collector of Customs is satisfied that the importers have fulfilled all the conditions of the said serial number 146.
Signed by importers on this _____ day of _____201_.

**Managing Director or person next in hierarchy duly authorized by MD**

(Name and permanent address)
**Collector of Customs**
(On behalf of President)

Witness (1) _____
(signature, name, designation and full address)
Witness (2) _____
(signature, name, designation and full address)

**Annex-D**

[See conditions 146 (c) and (e)]

| NTN or FTN of Importer | | Approval No. | | |
|---|---|---|---|---|
| Details of equipment (to be filled by the authorized officer of the Regulatory Authority) to be imported | | | | |
| Description and specifications. | Quantity/UOM | L/C No. or bank contract No. and B/L. | IGM No. Date & Index No. | Remarks, if any. |
| (1) | (2) | (3) | (4) | (5) |

CERTIFICATE BY THE AUTHORIZED OFFICER OF REGULATORY AUTHORITY:

It is hereby certified that the description, quantity and other details mentioned above are true and correct. Goods imported are in commensuration with the project requirements and are *bona fide* requirement of the Project under the Contract. It is further certified that the above items shall not be used for any other purpose except for the Project.

Signature: _____
Name and Designation: _____
Official Stamp: _____
Date: _____"]

**Table-2**
**(Local Supplies only)**

| Serial No | Description | Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969) |
|---|---|---|
| **(1)** | **(2)** | **(3)** |
| 1. | Supply of cottonseed exclusively meant for sowing purposes, subject to such conditions as the Board may specify. | 1207.2000. |
| 2. | Supply of locally produced crude vegetable oil obtained from the locally produced seeds [1][other than cotton seed], except cooking oil, without having undergone any process except the process of washing. | Respective headings. |
| [2][3. | [3][Supplies made by cottage industry.] | Respective headings.] |
| 4. | Raw material and intermediary goods manufactured or produced, and services provided or rendered, by a registered person, consumed in-house for the manufacture of goods subject to sales tax. | Respective headings. |
| [4][5. | ***] | |
| 6. | Supply of fixed assets against which input tax adjustment is not available under a notification issued in terms of clause (b) of sub-section (1) of section 8 of the Sales Tax Act, 1990. | Respective headings. |
| 7. | Breads prepared in *tandoors* and bakeries, vermicillies, *nans*, *chapattis*, *sheer mal*, bun, rusk. | Respective headings. |
| 8. | Foodstuff cooked or prepared in-house and served in messes run on the basis of mutuality and industrial canteens for workers. | Respective headings. |
| 9. | Foodstuff and other eatables prepared in the flight kitchens and supplied for consumption on-board in local flights. | Respective headings. |
| 10. | Agricultural produce of Pakistan, not subjected to any further process of manufacture. | Respective headings. |
| [5][11. | [Supply of ware potato and onions | 0701.9000 and 0703.1000] |
| [6][12. | ***] | |
| [7][[8][13. | *** | |

[1] The words inserted by the Finance Act, 2012
[2] S. No. 3 substituted by the Finance Act, 2007
[3] Substituted by the Finance Act, 2014
[4] S. No. 5 omitted by the Finance Act, 2011
[5] S. No. 11 inserted by the Finance Act, 2009
[6] S. No. 12 omitted by the Finance Act, 2013
[7] S. Nos. 13 to 16 added by the Finance Act, 2014
[8] S. No. 13 & 14 omitted by the Finance Act, 2015

| | | |
|---|---|---|
| [2][14. | ***] | |
| 15. | a. Sprinkler Equipment<br>b. Drip Equipment<br>c. Spray Pumps and nozzles | Respective headings |
| 16. | Raw cotton [1][omitted] | Respective headings] |
| [2][17. | Raw and pickled hides and skins, wet blue hides and skins | 41.01, 41.02, 41.02, 4104.1000, 4105.1000, 4106.2100, 4106.3000, 4106.9000 |
| 18. | Supplies made by manufacturers of marble and granite having annual turnover less than five million rupees even if their annual utility bill is more than eight hundred thousand rupees | Respective headings |
| 19. | Bricks (up to 30th June, 2018) | 6901.1000 |
| 20. | Crushed stone (up to 30th June, 2018) | 2517.1000 |
| [3][21. | Poultry feed, cattle feed, sunflower seed meal, rape seed meal and canola seed meal | 2306.3000, 2306.4900 and respective headings] |
| [3][22. | Single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP. | 8408.9000] |
| [4][23. | Match boxes | Respective headings.] |
| [5][24. | LED or SMD lights and bulbs meant for conservation of energy | 8539.5010, 8539.5020, 9405.1030 and 9405.4020] |
| 6[25. | Cottonseed oil | 1512.2100 and 1512.2900] |

***Notes***:--

1. For the purpose of this Schedule, for entries against which classification of headings or sub-headings has been specified, exemption shall be admissible on the basis of description of goods as mentioned in column 2 of the Schedule Pakistan Customs Tariff classification of headings is provided for ease of reference and commodity classification purposes only.

2. For the purposes of determining classification of any goods, the general rules for interpretation of the First Schedule to the Customs Act, 1969 (IV of 1969) and Explanatory Notes to the Harmonized Commodity Description and Coding System (relevant version) as amended from time to time shall be considered authentic source of interpretation.

3. For the purposes of exemption of sales tax under serial numbers 46, 47, 49, 50, 51, 52, 53, 56, 57, 59, 60 and 62 of this Schedule, the definitions, restrictions, limitations, conditions

[1] The words "and ginned cotton" omitted through Finance Act, 2019.
[2] S. Nos. 17 to 21 added by Finance Act, 2015.
[3] New S.No. 22 and entries relating thereto inserted by Finance Act, 2017.
[4] New S.No. 23 and entries relating thereto inserted by Finance Act, 2018.
[5] New S.No. 24 and entries relating thereto inserted by Finance Supplementary (Amendment) Act, 2018.
[6] New serial number 25and entries relating thereto inserted through Finance Act, 2019.

and procedures and all the provisions of Chapter 99 of the First Schedule to the Customs Act, 1969 (IV of 1969), for the purposes of applying zero-rate of customs duty shall, *mutatis mutandis*, apply and shall be deemed and construed to be part of this Schedule.

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[1][**TABLE-3**

The plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be exempt from the whole of Sales tax, subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

(i) The imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board.

(ii) except for S. No. 9, 14, [2][14A and 15] of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's *bona fide* requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and

(iii) in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, layout plan and drawings:

*Explanation*.- For the purpose of Table-3, capital goods mean any plant, machinery, equipment, spares and accessories, classified in Chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for-

(a) the manufacture or production of any goods and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or

[1]Inserted by Finance Act, 2014

[2] The figure and words inserted through Finance Act, 2017

(b) used in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

[1][**ANNEXURE**

| S. No | Description | PCT heading | Conditions |
|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** |
| 1. | Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting. | Respective Headings | Nil |
| 2. | Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:- | | (a) The project requirement shall be approved by the Board of Investment (BOI). The authorized officer of BOI shall certify the item wise requirement of the project in the prescribed format and manner as per Annex-B and shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under Section 155D of the Customs Act, 1969 (IV of 1969);<br><br>(b) the goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of customs-duties and taxes at statutory rates leviable at the time of import. Breach of this condition shall be construed as a criminal offence under the Customs Act, 1969 (IV of 1969) |
| | **A. Medical Equipment.** | | |
| | (1) Dentist chairs | 9402.1010 | |
| | (2) Medical surgical dental or veterinary furniture | 9402.9090 | |
| | (3) Operating Table. | 9402.9010 | |
| | (4) Emergency Operating Lights. | 9405.4090 | |
| | (5) Hospital Beds with mechanical fittings | 9402.9020 | |

[1] Inserted by Finance Act, 2014.

| | | | |
|---|---|---|---|
| | (6) Gymnasium equipment. | 9506.9100 | |
| | (7) Cooling Cabinet. | 8418.5000 | |
| | (8)Refrigerated Liquid Bath. | [1][3824.9999] | |
| | (9)Contrast Media Injections (for use in Angiography & MRI etc). | 3822.0000 | |
| | **B. Cardiology / Cardiac Surgery Equipment** | | |
| | (1) Cannulas. | 9018.3940 | |
| | (2) Manifolds. | 8481.8090 | |
| | (3) Intravenous cannula i.v. catheter. | 9018.3940 | |
| | **C. Disposable Medical_Devices** | | |
| | (1) Self-disabling safety sterile syringes. | 9018.3110 | |
| | (2) Insulin syringes. | 9018.3110 | |
| | **D. Other Related Equipments** | | |
| | 1) Fire extinguisher. | 8424.1000 | |
| | 2) Fixtures & fittings for hospitals | Respective Headings | |
| 3. | 1. Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non-luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase. | Respective Headings | 1. This concession shall be available to those mineral explorations and extraction companies or their authorized operators or contractors who hold permits, licences, lease and who enter into agreements with the Government of Pakistan or a Provincial Government.<br><br>2. Temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the amount of sales tax, along with an under-taking to pay the sales tax at the statutory rate in case such goods are not re-exported on conclusion of the project.<br><br>3. The goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of sales tax leviable at the time of import. These shall, however, be allowed to be transferred to other entitled mining companies with prior approval of |
| | 2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for mine construction or extraction phase. | Respective Headings | |

[1] Substituted for the figure "3824.9099" by Finance Act, 2017

| | | | |
|---|---|---|---|
| | | | the Board; and |
| 4. | Coal mining machinery, equipment, spares, including vehicles for site use i.e. single or double cabin pick-ups [1][and dump trucks], imported for Thar Coal Field. | Respective Headings | (a) This concession shall be available to those mining companies or their authorized operators or contractors who hold permits, licenses, leases and who enter into agreements with the Government of Pakistan or a Provincial Government.<br><br>(b) The goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of customs duties and taxes leviable at the time of import. These shall, however, be allowed to be transferred to other entitled mining companies with prior approval of the Board. |

[1] At S. No. 4, after words "pick-ups" expression "and dump trucks" added through Finance Act, 2016.

| | | | |
|---|---|---|---|
| 5. | 1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an implementation agreement with the Government of Pakistan.<br><br>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. | Respective Headings | (i) This concession shall also be available to primary contractors of the project upon fulfilment of the following conditions, namely:-<br><br>(a) the contractor shall submit a copy of the contract or agreement under which he intends to import the goods for the project;<br><br>(b) the Chief Executive or head of the contracting company shall certify in the prescribed manner and format as per Annex-A that the imported goods are the projects bona fide requirement; and<br><br>(c) the goods shall not be sold or otherwise disposed of without prior approval of the FBR on payment of sales tax leviable at the time of import;<br><br>(ii) temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the differential amount between the statutory rate of sales tax and the amount payable under this notification, along with an undertaking to pay the sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project. |
| 6. | 1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects.<br><br>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. | Respective Headings | -do- |

| | | | |
|---|---|---|---|
| 7. | 1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell. [1][This exemption in relation to renewable energy shall remain in force up to the 30th June, 2023.]<br><br>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.<br><br>*Explanation*.- The expression "projects for power generation" means any project for generation of electricity whether small, medium or large and whether for supply to the national grid or to any other user or for in house consumption. | Respective Headings | -do- |

[1] Substituted for the expression "etc" by Finance Supplementary (Second Amendment) Act, 2019

| | | | |
|---|---|---|---|
| 8. | 1. Machinery and equipment meant for power transmission and grid stations including under construction projects.<br><br>*Explanation*.- For the purpose of this serial number, "machinery and equipment" shall mean,--<br><br>(a) machinery and equipment operated by power of any description, such as is used in the generation of power;<br><br>(b) apparatus, appliances, metering and testing apparatus, mechanical and electrical control, transmission gear and transmission tower, power transmission and distribution cables and conductors, insulators, damper spacer and hardware and parts thereof adapted to be used in conjunction with the machinery and equipment as specified in clause (a) above; and<br><br>(c) component parts of machinery and equipment, as specified in clause (a) and (b) above, identifiable for use in or with machinery imported for the project and equipment including spares for purposes of the project.<br><br>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. | Respective Headings | -do- |

| | | | |
|---|---|---|---|
| 9. | Following machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities:- | | Nil |
| | (1) Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers. | 7017.1010 | |
| | (2) Other dryers | 8419.3900 | |
| | (3) Filtering or purifying machinery and apparatus for water | 8421.2100 | |
| | (4) Other filtering or purifying machinery and apparatus for liquids | 8421.2900 | |
| | (5) Personal weighing machines, including baby scales; household scales | 8423.1000 | |
| | (6) Scales for continuous weighing of goods on conveyors | 8423.2000 | |
| | (7) Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales | 8423.3000 | |
| | (8) Other weighing machinery having a maximum weighing capacity not exceeding 30 kg | 8423.8100 | |
| | (9) Other weighing machinery having a maximum weighing capacity exceeding 30 kg but not exceeding 5,000kg | 8423.8200 | |
| | (10) Other weighing machinery | 8423.8900 | |
| | (11) Weighing machine weights of all kinds; parts of weighing machinery of machines of heading 8423.2000 & 8423.3000 | 8423.9000 | |
| | (12) Other weighing machine weights of all kinds; parts of weighing machinery of machines of heading 8423.2000 & 8423.3000 | 8423.9000 | |
| | (13) Networking equipments like routers, LAN bridges, hubs excluding switches and | 8517.6970 | |

| | | | |
|---|---|---|---|
| | repeaters. | | |
| | (14) Other furnaces and ovens | 8514.3000 | |
| | (15) Electronic balances of a sensitivity of 5 cg or better, with or without weights. | 9016.0010 | |
| | (16) Other balances of a sensitivity of 5 cg or better, with or without weights. | 9016.0090 | |
| | (17) Thermostats of a kind used in refrigerators and air-conditioners | 9032.1010 | |
| | (18) Other thermostats | 9032.1090 | |
| | (19) Manostats | 9032.2000 | |
| | (20) Other instruments and apparatus Hydraulic or pneumatic | 9032.8100 | |
| | (21) Other instruments and apparatus | 9032.8990 | |
| | (22) Parts and accessories of automatic regulating or controlling instruments and apparatus | 9032.9000 | |
| | (23) Spares, accessories, and reagents for scientific equipments. | Respective Headings | |
| [1][10. | ***] | | |
| 11. | Following machinery and equipment for marble, granite and gem stone extraction and processing industries: | | 1. For the projects of Gem Stone & Jewellery Industry, CEO/COO, Pakistan Gem and Jewellery Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are *bona fide* project requirement. The authorized person of the Company shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.<br><br>2. For the projects of Marble & Granite Industry, CEO/COO, Pakistan Stone Development Company shall certify in the prescribed format and manner as |

[1] S. No. 10 and entries relating thereto omitted by Finance Act, 2015

| | | | |
|---|---|---|---|
| | | | per Annex-B that the imported goods are *bona fide* project requirement. The authorized persons of the Company shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.<br><br>3. The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import. |
| | (1) Polishing cream or material | 3405.4000, 3405.9000 | |
| | (2) Fiber glass mesh | 7019.5190 | |
| | (3) Chain saw/diamond wire saw in all sizes and dimensions and spares thereof, diamond wire joints all types and dimensions, chain for chain saw and diamond wires for wire saw and spare widia. | 8202.4000,<br><br>8202.9100 | |
| | (4) Gin saw blades. | 8202.9910 | |
| | (5) Gang saw blades/diamond saw blades/multiple blades of all types and dimensions. | 8202.9990 | |
| | (6) Air compressor (27 cft and above) | 8414.8010 | |
| | (7) Machine and tool for stone work; sand blasting machines; tungsten carbide tools; diamond tools & segments (all type & dimensions), hydraulic jacking machines, hydraulic manual press machines, air/hydro pillows, compressed air rubber pipes, hydraulic drilling machines, manual and power drilling machines, steel drill rods and spring (all sizes and dimensions), whole finding system with | 8464.9000 & Respective headings | |

| | | | |
|---|---|---|---|
| | accessories, manual portable rock drills, cross cutter and bridge cutters. | | |
| | (8) Integral drilling steel for horizontal and vertical drilling, extension thread rods for pneumatic super long drills, tools and accessories for rock drills. | 8466.9100 | |
| 12. | Machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point in Gwadar. | Respective Headings | 1. The Division dealing with the subject matter of Industries shall certify in the prescribed manner and format as per Annex-B that the imported goods are bonafide project requirement. The authorized officer of the Ministry shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.<br><br>2. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and payment of customs duties and taxes leviable at the time of import. |
| 13. | Effluent treatment plants | Respective headings | Nil |
| [1][14. | **Following items for use with solar energy:-** | | |
| | Solar Power Systems. | 8501.3110<br>8501.3210 | |
| | (1) Off–grid/On-grid solar power system (with or without provision for USB/charging port) comprising of : | | |
| | i. PV Module. | 8541.4000 | |
| | ii. Charge controller. | 9032.8990 | |
| | iii. Batteries for specific utilization with the system (not exceeding 50 Ah in case of portable system). | 8507.2090<br>8507.3000<br>8507.6000 | |
| | iv. Essential connecting wires (with or without switches). | 8544.4990 | |

[1] New S.No(s). 14, 14A, 15, 15A and 15B and entries relating thereto substituted for S.No(s) 14 & 15 by Finance Act, 2017

| | | | |
|---|---|---|---|
| | v. Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT). | 8504.4090 | |
| | vi. Bulb holder | 8536.6100 | |
| | (2) Water purification plants operating on solar energy. | 8421.2100 | |
| **14A** | **Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal** [1]**[**as imported on or before the 30th June, 2023**.]** | | |
| | **1. (a) Solar Parabolic Trough Power Plants.** | 8502.3900 | |
| | **(b) Parts for Solar Parabolic Power Plants.** | | |
| | (i). Parabolic Trough collectors modules. | 8503.0010 | |
| | (ii). Absorbers/Receivers tubes. | 8503.0090 | |
| | (iii). Steam turbine of an output exceeding 40MW. | 8406.8100 | |
| | (iv). Steam turbine of an output not exceeding 40MW. | 8406.8200 | |
| | (v). Sun tracking control system. | 8543.7090 | |
| | (vi). Control panel with other accessories. | 8537.1090 | |
| | **2. (a) Solar Dish Stirling Engine.** | 8412.8090 | |
| | **(b) Parts for Solar Dish Stirling Engine.** | | |
| | (i). Solar concentrating dish. | 8543.7000 | |
| | (ii). Sterling engine. | 8543.7000 | |
| | (iii). Sun tracking control system. | 8543.7090 | |
| | (iv). Control panel with accessories. | 8406.8200 | |
| | (v). Stirling Engine | 8501.6100 | |

[1] For the expression "etc" the expression inserted by Finance Supplementary (Second Amendment) Act, 2019

| | | | |
|---|---|---|---|
| | Generator | | |
| | **3. (a) Solar Air Conditioning Plant** | 8415.1090 | |
| | **(b) Parts for Solar Air Conditioning Plant** | | |
| | (i). Absorption chillers. | 8418.6990 | |
| | (ii). Cooling towers. | 8419.8910 | |
| | (iii). Pumps. | 8413.3090 | |
| | (iv). Air handling units. | 8415.8200 | |
| | (v). Fan coils units. | 8415.9099 | |
| | (vi). Charging & testing equipment. | 9031.8000 | |
| | **4. (a) Solar Desalination System** | 8421.2100 | |
| | **(b) Parts for Solar Desalination System** | | |
| | (i). Solar photo voltaic panels. | 8541.4000 | |
| | (ii). Solar water pumps. | 8413.3090 | |
| | (iii). Deep Cycle Solar Storage batteries. | 8507.2090 | |
| | (iv). Charge controllers. | 9032.8990 | |
| | (v). Inverters (off grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT) | 8504.4090 | |
| | **5. Solar Thermal Power Plants with accessories.** | 8502.3900 | |
| | **6. (a) Solar Water Heaters with accessories.** | 8419.1900 | |
| | **(b) Parts for Solar Water Heaters** | | |
| | (i). Insulated tank | 7309.0000<br>7310.0000 | |
| | (ii). Vacuum tubes (Glass) | 7020.0090 | |
| | (iii). Mounting stand | Respective headings | |
| | (iv). Copper and Aluminum tubes | Respective heading | |
| | **(c) Accessories**: | | |
| | (i). Electronic controller | Respective headings | |
| | (ii). Assistant/ Feeding tank | | |
| | (iii). Circulation Pump | | |
| | (iv). Electric Heater/ Immersion Rod (one | | |

| | | | |
|---|---|---|---|
| | piece with one solar water heater) | | |
| | (v). Solenoid valve (one piece with one solar water heater) | | |
| | (vi). Selective coating for absorber plates | | |
| | **7. (a) PV Modules.** | 8541.4000 | |
| | **(b) Parts for PV Modules** | | |
| | (i). Solar cells. | 8541.4000 | |
| | (ii). Tempered Glass. | 7007.2900 | |
| | (iii). Aluminum frames. | 7610.9000 | |
| | (iv). O-Ring. | 4016.9990 | |
| | (v). Flux. | 3810.1000 | |
| | (vi). Adhesive labels. | 3919.9090 | |
| | (vii). Junction box & Cover. | 8538.9090 | |
| | viii). Sheet mixture of Paper and plastic | 3920.9900 | |
| | (ix). Ribbon for PV Modules (made of silver & Lead). | Respective headings | |
| | (x). Bypass diodes. | 8541.1000 | |
| | (xi). EVA (Ethyl Vinyl Acetate) Sheet (Chemical). | 3920.9900 | |
| | **8. Solar Cell Manufacturing Equipment.** | | |
| | (i). Crystal (Grower) Puller (if machine). | 8479.8990 | |
| | (ii). Diffusion furnace. | 8514.3000 | |
| | (iii). Oven. | 8514.3000 | |
| | (iv). Wafering machine. | 8486.1000 | |
| | (v). Cutting and shaping machines for silicon ingot. | 8461.9000 | |
| | (vi). Solar grade polysilicon material. | 3824.9999 | |
| | (vii). Phosphene Gas. | 2853.9000 | |
| | viii). Aluminum and silver paste. | Respective headings | |
| | **9**.Pyranometers and accessories for solar data collection. | 9030.8900 | |
| | **10**. Solar chargers for charging electronic devices. | 8504.4020 | |

| | | | |
|---|---|---|---|
| | **11**. Remote control for solar charge controller. | 8543.7010 | |
| | **12.** Wind Turbines. | | |
| | (a)Wind Turbines for grid connected solution above 200 KW (complete system). | 8412.8090 | |
| | (b) Wind Turbines upto 200 KW for off-grid solutions comprising of: | 8412.8090 | |
| | (i). Turbine with Generator/ Alternator. | Respective headings | |
| | (ii). Nacelle with rotor with or without tail. | | |
| | (iii). Blades. | | |
| | (iv). Pole/ Tower. | | |
| | (v). Inverter for use with Wind Turbine. | | |
| | (vi). Deep Cycle Cell/ Battery (for use with wind turbine). | 8507.2090 | |
| | **13**. Wind water pump | 8413.8100 | |
| | **14**. Geothermal energy equipments. | | |
| | (i). Geothermal Heat Pumps. | 8418.6100 | |
| | (ii). Geothermal Reversible Chillers. | 8418.6990 | |
| | (iii). Air handlers for indoor quality control equipments. | 8418.6990 | |
| | (iv). Hydronic heat pumps. | 8415.8300 | |
| | (v). Slim Jim heat exchangers. | 8418.6100 | |
| | (vi). HDPE fusion tools. | 8419.5000 | |
| | (vii). Geothermal energy Installation tools and Equipment. | 8515.8000<br>8419.8990 | |
| | viii). Dehumidification equipment. | 8479.6000 | |
| | (ix). Thermostats and IntelliZone. | 9032.1090 | |
| | **15**. Any other item approved by the Alternative Energy Development Board (AEDB) and concurred to by the FBR. | Respective headings | |
| **15** | **Following items for promotion of renewable energy technologies or for conservation of energy:-** | | Nil |

| | | | |
|---|---|---|---|
| | (i). SMD/LED/LVD lights with or without ballast, fittings and fixtures. | 9405.1090<br>8539.3290<br>8539.5010<br>8539.5020 | |
| | (ii). SMD/LED/LVD lights, with or without ballast, PV module, fitting and fixtures | 9405.4090<br>8539.3290<br>8539.5010<br>8539.5020 | |
| | (iii). Tubular Day lighting Device. | 9405.5010 | |
| | (iv). Wind turbines including alternators and mast. | 8502.3100 | |
| | (v). Solar torches. | 8513.1040 | |
| | (vi). Lanterns and related instruments. | 8513.1090 | |
| | (vii). LVD induction lamps. | 8539.3290 | |
| | viii). LED Bulb/Tube lights. | 8539.5010<br>8539.5020 | |
| | (ix). PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT), charge controllers and solar batteries. | 8541.4000<br>8504.4090<br>9032.8990<br>8507.0000 | |
| | (x). Light emitting diodes (light emitting in different colors). | 8541.5000 | |
| | (xi). Water pumps operating on solar energy along with solar pump controllers | 8413.7010<br>8413.7090<br>8504.4090 | |
| | (xii). Energy saver lamps of varying voltages | 8539.3110<br>8539.3210 | |
| | xiii). Energy Saving Tube Lights. | 8539.3120<br>8539.3220 | |
| | xiv). Sun Tracking Control System | 8543.7090 | |
| | (xv). Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy | 8504.4090 | |

| | | | |
|---|---|---|---|
| | source and with Maximum Power Point Tracking (MPPT). | | |
| | xvi). Charge controller/ Current controller.<br><br>Provided that exemption under this serial shall be available with effect from 01.07.2016. | 9032.8990 | |
| **15A** | **Parts and Components for manufacturing LED lights [1][and bulbs]:-** | | If imported by LED light manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by the Input Output Co-efficient Organization (IOCO). |
| | (i). Aluminum Housing/ Shell for LED (LED Light Fixture) | 9405.1090 | |
| | (ii). Metal Clad Printed Circuit Boards (MCPCB) for LED | 8534. 0000 | |
| | (iii). Constant Current Power Supply for of LED Lights [1][and bulbs] (1-300W) | 8504.4090 | |
| | (iv). Lenses for LED lights [1][and bulbs] | 9001.9000 | |
| **15B.** | CKD kits for single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP. | 8408.9000 | Subject to same conditions and limitations as are applicable for availing concession in customs duty on import of such CKD kits.] |
| [2]**[16.** | ***] | | |
| [3][17. | Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited. | Respective heading | Nil |
| 18. | The following parts for assembling and manufacturing of personal computers and laptops: | | If imported by manufacturers and assemblers of computers and laptops, registered with and certified by Engineering Development Board in accordance with quota determined by IOCO |
| | (i) Bare PCBs | 8534.0000 | |
| | (ii) Power Amplifier | 8542.3300 | |
| | (iii) Microprocessor/ | 85.42 | |

[1] Words "and bulbs" wherever occurring in any form under S.No. 15A added by Finance Supplementary (Amendment) Act, 2018.

[2] S.No. 16 and entries relating thereto omitted by Finance Act, 2015

[3] New S.No(s). 17 to 19 and entries relating thereto added by Finance Act, 2018.

| | | | |
|---|---|---|---|
| | Controllers | | |
| | (iv) Equipment for SMT Manufacturing | 8486.2000 | |
| | (v) Laptop batteries | 8506.5000 | |
| | (vi) Adopters | 8504.4020 | |
| | (vii) Cooling fans | 8414.5190 | |
| | (viii) Heat sink | 7616.9920 | |
| | (ix) Hard Disk SSD | 8471.7020 | |
| | (x) RAM/ROMS | 8471.7060 and 8471.7090 | |
| | (xi) System on Chip/FPGA-IC | 85.42 | |
| | (xii) LCD / LED Screen | 8528.7211 | |
| | (xiii) Motherboards | 8534.0000 | |
| | (xiv) power supply | 84.73 | |
| | (xv) Optical Drives | 8471.7040 | |
| | (xvi) External Ports | 8536.2090 | |
| | (xvii) Network cards | 8517.6990 | |
| | (xviii) Graphic cards | 8471.5000 | |
| | (xix) wireless cards | 8517.6970 | |
| | (xx) micro phone | 8518.3000 | |
| | (xxi) Trackpad | 8471.6020 | |
| 19. | Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribed in the SEZ Act, 2012 and rules thereunder subject to such condition, limitations and restriction as a Federal Board of Revenue may impose from time to time. | 9917(2) | Nil] |

[1][**Annex-A**

| Header Information | | |
|---|---|---|
| NTN/FTN of Importer | Regulatory Authority no. | Name of Regulatory authority |
| (1) | (2) | (3) |
| Details of Input goods (to be filled by the chief executive of the importing company) | | Goods imported (Collectorate of import) |

[1] Inserted by Finance Act, 2014

| HS Code | Description | Specs | Custom Duty rate (applic-able) | Sales Tax rate (applic able) | WHT | Quantity | UOM | Quantity imported | Collectorate | CRN / Mach No. | Date of CRN/ Mach. No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |

**CERTIFICATE**. It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or
The person next in hierarchy duly
Authorized by the Chief Executive
Name _____
N.I.C. No. _____

***NOTE:-*** *In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

*Explanation.-*

Chief Executive means.—

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or
3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

[1][**Annex-B**

| Header Information | | |
|---|---|---|
| NTN/FTN of Importer | Approval No. | |
| (1) | (2) | |
| Details of Input goods (to be filled by the authorized officer of the Regulatory Authority) | | Goods imported (Collectorate of import) |

[1] Inserted by the Finance Act, 2014

| HS Code | Description | Specs | Custom Duty rate (applicable) | Sales Tax rate (applicable) | WHT | Quantity | UOM | Quantity imported | Collectorate | CRN/ Mach. No. | Date of CRN/ Mach No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |

**CERTIFICATE** Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and *bona fide* requirement of the project and that the same are not manufactured locally.

Signature _____

Designation _____

***NOTE:-*** *In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

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*The*
# SEVENTH SCHEDULE
[1][***]

[2][*The*
# EIGHTH SCHEDULE
[*See* clause (aa) of sub-section (2) of section 3]

**Table-1**

| S. No. | Description | Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969) | Rate of Sales Tax | Condition |
|---|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** | **(5)** |
| 1. | Soyabean meal | 2304.0000 | [3][10%] | |
| 2. | Oil cake and other solid residues, whether or not ground or in the form of pellets | 2306.1000 | 5% | |
| [4][3. | ***] | | | |
| 4. | Oilseeds meant for sowing. | Respective headings | 5% | Import thereof subject to the condition that concerned department of the Division dealing with the subject matter of oil seeds certifies that the imported seeds are fungicide and insecticides treated and are meant for sowing. |
| 5. | Raw cotton and ginned cotton | Respective headings | 5% | On import |
| 6. | Plant and machinery not manufactured locally and having no compatible local substitutes | Respective headings | [5][10%] | (i) On import of such plant and machinery by registered manufacturers, post-dated cheque(s) equal to the differential amount of sales tax |

[1] The seventh schedule omitted by the Finance Act, 1997
[2] The eighth schedule inserted by the Finance Act, 2014
[3] Substituted for the figure "5%" by Finance Act, 2015
[4] S. No. 3 and entries relating thereto omitted by Finance Act, 2015
[5] Substituted for the figure "5%" by Finance Act, 2015

| | | | | |
|---|---|---|---|---|
| | | | | payable at import stage, shall be submitted to the customs authorities, which shall be returned on furnishing proof of filing of first sales tax return after import of such machinery, showing the import of such machinery;<br>(ii) On import by commercial importers, good-for-payment cheque, bank guarantee, pay order or treasury challan showing deposit, equal to the differential amount of sales tax payable at import stage, shall be submitted to the customs authorities, which shall be returned back, or as the case may be, refunded, after evidence of subsequent supply to registered manufacturers or industrial users is furnished to the customs authorities;<br>(iii) Supply of such imported plant and machinery by commercial importers to unregistered persons or persons other than manufacturers shall be liable to standard rate of tax, and evidence to that effect shall be produced to the |

| | | | | |
|---|---|---|---|---|
| | | | | customs authorities for release of the above mentioned instruments or refund of the amount paid at import stage;<br>(iv) Subsequent supply of plant and machinery imported or acquired by registered manufacturers to unregistered persons or persons other than manufacturers shall be liable to tax at standard rate; and<br>(v) the validity period of instruments furnished under this provision shall not be less than one hundred and twenty days.<br>*Explanation*.— For the purpose of this provision, plant and machinery means such plant and machinery as is used in the manufacture or production of goods. |
| [1][7. | Flavoured milk | 0402.9900 | 10% | Sold in retail packing under a brand name |
| 8. | Yogurt | 0403.1000 | 10% | Sold in retail packing under a brand name |
| 9. | Cheese | 0406.1010 | 10% | Sold in retail packing under a brand name |
| 10. | Butter | 0405.1000 | 10% | Sold in retail packing under a brand name |
| 11. | Cream | 04.01 and 04.02 | 10% | Sold in retail packing under a brand name |
| 12. | Desi ghee | 0405.9000 | 10% | Sold in retail packing under a brand name |
| 13. | Whey | 04.04 | 10% | Sold in retail packing under a brand name |

[1] Serial numbers 7 to 23 and 25 to 31 and entries relating thereto in columns (2), (3), (4) and (5) inserted by Finance Act, 2015

| | | | | |
|---|---|---|---|---|
| [1][14. | Milk and cream, concentrated or containing added sugar or other sweetening matter | 0402.1000 and 0402.2000 | 10% | Sold in retail packing under a brand name] |
| 15. | Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oil-cake of cotton-seed falling under PCT heading 2306.1000 | [2][2301.1000], 2305.0000, 2306.2000, 2306.3000, 2306.4100, 2306.5000, 2309.9010, 2309.9020, 2309.9090, 2936.2100, 2936.2200, 2936.2300, 2936.2400, 2936.2500, 2936.2600, 2936.2700, 2936.2800, and 2308.9000 (Guar Meal), 2303.1000 (Corn Gluton Feed/Meal), 2303.1000 (Residues of starch manufacture and similar residues), 3507.9000 (Enzymes-other), 2302.1000 (Maize Bran), 2302.2000 (Rice Bran), 2302.3000 (Wheat Bran), 2302.4000 (Other Cereals), | [2][10%] | |

[1] Serial number 14 and entries relating thereto substituted through Finance Act, 2019.
[2] For the figure "2301.2090" the figure "2301.1000" substituted through Finance Act, 2016.
2 For the figure "5%" the figure "10%" substituted through Finance Act, 2016.

| | | | | |
|---|---|---|---|---|
| | | 2302.5000<br>(Bran of Leguminous Plants),<br><br>2306.7000<br>(Oil- cake and other solid residues of Maize (corn) germ),<br><br>2306.4900<br>(Sesame Cake),<br><br>2306.9000<br>(Sesame Meal/other Meal),<br><br>2842.1000<br>(Double or complex silicates, including aluminosilicates whether or not chemically defined),<br><br>[1][2301.2090]<br>(Fish Meal),<br><br>0505.9000<br>(Poultry by product Meal),<br><br>and the following items only of Feed Grade:<br><br>2827.6000<br>(Potassium Lodide),<br><br>2833.2990<br>(Manganese Sulphate),<br><br>[2][2833.2940]<br>(Zinc Sulphate),<br><br>2817.4000<br>(Zinc Oxide),<br><br>2833.2500<br>(Copper Sulphate), | | |

[1] For the figure "2301.2010" the figure "2301.2090" substituted through Finance Act, 2016.

[2] For the figure "2833.2600" the figure "2833.2940" substituted through Finance Act, 2016.

| | | | | |
|---|---|---|---|---|
| | | 2833.2910 (Ferrous Sulphate),<br><br>2915.5000 (Propionic acid, its salts and esters),<br><br>2930.4000 (DL Methionine),<br><br>2930.4000 (Methionine Hydroxy Analogue (liquid)),<br><br>2922.4100 (Lysine Monohydro Chloride /sulphate),<br><br>2923.2000 (Lecithins),<br>[1][2923.9010] (Betafin),<br><br>2922.4290 (Arganine),<br><br>2934.9910 (Furazolidone),<br><br>2922.5000 (Threonine),<br><br>2835.2600 (Mono Calcium Phosphate),<br><br>2835.2500 (Di Calcium Phosphate),<br><br>and<br><br>2835.2600 (Mono Di Calcium Phosphate) | | |
| 16. | Incinerators of disposal of waste management, | 8417.8000, 8430.2000 | 5% | |

[1] For the figure "2923.9000" the figure "2923.9010" substituted through Finance Act, 2016.

| | | | | |
|---|---|---|---|---|
| | motorized sweepers and snow ploughs | and 8479.8990 | | |
| 17. | Re-importation of foreign origin goods which were temporarily exported out of Pakistan | 99.18 | 5% | Subject to similar conditions as are envisaged for the purposes of customs duty under the Customs Act,1969, and taxable value shall be the value determined under PCT heading 99.18 of the said Act increased by customs duty payable |
| [1][18. | ***] | | | |
| 19. | Waste paper | 47.07 | 5% | |
| 20. | Plant, machinery, [2][and equipment] used in production of bio-diesel | Respective headings | 5% | The Alternative Energy Development Board (AEDB), Islamabad shall certify in the prescribed manner and format as per Annex-B, as given in the Sixth Schedule, that the imported goods are *bona fide* project requirement. The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import |
| [3][21. | ***] | | | |
| 22. | Soya bean seed | 1201.1000 | [4][10]% | On import by solvent extraction industries, subject to the condition that no refund of input tax shall be admissible”; |
| 23. | Secondhand and worn clothing or footwear | 6309.0000 | 5% | |
| 25. | Agricultural tractors | [5][8701.9220 and 8701.9320] | [6][5%] | |
| 26. | Tillage and seed bed preparation equipment: | | [7][5%] | |

[1] Serial number 18 and entries relating thereto is omitted through Finance Act, 2019.
[2] For the words “equipment and specific items” the words “ and equipment” substituted through Finance Act, 2016.
[3] Serial number 21 and entries relating thereto is omitted through Finance Act, 2019.
[4] The figure “6” substituted vide Finance Act, 2019.
[5] Figures substituted through Finance Act, 2018.
[6] For the figure “10” the figure “5” substituted through Finance Act, 2016.
[7] For the figure “7” the figure “5” substituted through Finance Act, 2018.

| | | | | |
|---|---|---|---|---|
| | (i) Rotavator | 8432.8010 | | |
| | (ii) Cultivator | 8432.2910 | | |
| | (iii) Ridger | 8432.8090 | | |
| | (iv) Sub soiler | [1][8432.3900] | | |
| | (v) Rotary slasher | 8432.8090 | | |
| | (vi) Chisel plow | 8432.1010 | | |
| | (vii) Ditcher | 8432.1090 | | |
| | (viii) Border disc | 8432.2990 | | |
| | (ix) Disc harrow | 8432.2100 | | |
| | (x) Bar harrow | 8432.2990 | | |
| | (xi) Mould board plow | 8432.1090 | | |
| | (xii) Tractor rear or front blade | 8430.6900 | | |
| | (xiii) Land leveller or land planer | 8430.6900 | | |
| | (xiv) Rotary tiller | 8432.8090 | | |
| | (xv) Disc plow | 8432.1090 | | |
| | (xvi) Soil-scrapper | 8432.8090 | | |
| | (xvii) K.R.Karundi | 8432.8090 | | |
| | (xviii) Tractor mounted trancher | 8701.9020 | | |
| | (xix) Land leveller<br>[2][(xx) Laser land leveler comprising of laser transmitter, laser receiver, control box, rigid mast pack, with or without scrapper | 8430.6900<br>Respective heading] | | |
| 27. | Seeding or planting equipment: | | [3][5%] | |
| | (i) Seed-cum-fertilizer drill (wheat, rice barley, etc.) | 8432.3010 | | |
| | (ii) Cotton or maize planter with fertilizer attachment | [4][8432.3900] | | |
| | (iii) Potato planter | [5][8432.3900] | | |
| | (iv) Fertilizer or manure spreader or broadcaster | [6][8432.4100] | | |
| | (v) Rice transplanter | [7][8432.3900] | | |
| | (vi) Canola or sunflower drill | [8][8432.3100] | | |
| | (vii) Sugarcane planter | [9][8432.3900] | | |
| 28. | Irrigation, drainage and agro-chemical | | [3][5%] | |

[1] Substituted for the figure "8432.3090" by Finance Act, 2017
[2] Entry number (xx) substituted through Finance Act, 2019.
[3] For the figure "7" the figure "5" substituted through Finance Act, 2018.
[4] PCT heading "8432.3090" substituted through Finance Act, 2019.
[5] PCT heading "8432.3090" substituted through Finance Act, 2019.
[6] Substituted for the figure "8432.4000" by Finance Act, 2017
[7] PCT heading "8432.3090" substituted through Finance Act, 2019.
[8] Substituted for the figure "8432.3010" by Finance Act, 2017
[9] Substituted for the figure "8432.3090" by Finance Act, 2017

| | | | | |
|---|---|---|---|---|
| | application equipment: | | | |
| | (i) Tubewells filters or strainers | 8421.2100, 8421.9990 | | |
| | (ii) Knapsack sprayers | 8424.2010 | | |
| | (iii) Granular applicator | 8424.2010 | | |
| | (iv) Boom or field sprayers | 8424.2010 | | |
| | (v) Self propelled sprayers | 8424.2010 | | |
| | (vi) Orchard sprayer | 8424.2010 | | |
| 29. | (i) Harvesting, threshing and storage equipment: | | [1][5%] | |
| | (ii) Wheat thresher | 8433.5200 | | |
| | (iv) Maize or groundnut thresher or sheller | 8433.5200 | | |
| | (v) Groundnut digger | 8433.5900 | | |
| | (vi) Potato digger or harvester | 8433.5300 | | |
| | (vii) Sunflower thresher | 8433.5200 | | |
| | (viii) Post hole digger | 8433.5900 | | |
| | (ix) Straw balers | 8433.4000 | | |
| | (x) Fodder rake | 8433.5900 | | |
| | (xi) Wheat or rice reaper | 8433.5900 | | |
| | (xii) Chaff or fodder cutter | 8433.5900 | | |
| | (xiii) Cotton picker | 8433.5900 | | |
| | (xiv) Onion or garlic harvester | 8433.5200 | | |
| | (xv) Sugar harvester | 8433.5200 | | |
| | (xvi) Tractor trolley or forage wagon | 8716.8090 | | |
| | (xvii) Reaping machines | 8433.5900 | | |
| | (xviii) Combined harvesters | 8433.5100 | | |
| | (xix) Pruner/shears | 8433.5900 | | |
| 30. | Post-harvest handling and processing & miscellaneous machinery: | | [1][5%] | |
| | (i) Vegetables and fruits cleaning and sorting or grading equipment | 8437.1000 | | |
| | (ii) Fodder and feed cube maker equipment | 8433.4000 | | |
| [1][31. | [.....]] omitted | | | |

[1] For the figure "7" the figure "5" substituted through Finance Act, 2018.

| | | | | |
|---|---|---|---|---|
| [2][32. | [***] | | | |
| [2][33. | [.....]] omitted | | | |
| 34. | 1. Set top boxes for gaining access to internet | 8517.6950 | 5% | Subject to type approval by PEMRA. This concession shall be available upto 30th June, [3][2018] |
| | 2. TV broadcast transmitter | 8525.5020 | | |
| | 3. Reception apparatus for receiving satellite signals of a kind used with TV (satellite dish receivers) | 8528.7110 and 8528.7220 | | |
| | 4. Other set top boxes | 8528.7190 and 8528.7290 | | |
| [4][35 to 42]. | [.....]] omitted | | | |
| 43. | Natural gas | Respective heading | [5][5%] | If supplied to fertilizer plants for use as feed stock in manufacturing of fertilizer |

[1] Serial number 31 omitted through Finance Act, 2016.
[2] Serial number 32 and entries relating thereto is omitted through Finance Act, 2019.
[3] Substituted for the figure "2017" by Finance Act, 2017
[4] S.No(s) 33 & 35 to 42 omitted by Finance Act, 2018.
[5] For the figure "10" the figure "5" substituted through Finance Act, 2018.

| | | | | |
|---|---|---|---|---|
| 44. | Phosphoric acid | 2809.2010 | 5% | If imported by fertilizer company for manufacturing of DAP |
| 45. | Following machinery for poultry sector : | | | Import and supply |
| | (i) Machinery for preparing feeding stuff | 8436.1000 | 7% | |
| | (ii) Incubators, brooders and other poultry equipment | 8436.2100 and 8436.2900 | 7% | |
| | (iii) Insulated sandwich panels | Respective heading | 7% | |
| | (iv) Poultry sheds | 9406.1020 and 9406.9020 | 7% | |
| | (v) Evaporative air cooling system | 8479.6000 | 7% | |
| | (vi) Evaporative cooling pad | 8479.9010 | 7% | |
| 46. | Multimedia projectors | 8528.6210 | 10% | Nil |
| 47. | Locally produced coal | 27.01 | Rs. 425 per metric tonne or 17% ad valorem, whichever is higher | Nil |

| | | | | |
|---|---|---|---|---|
| [1][48 & 49 | [.....]] omitted | | | |
| [2][50. | LNG/RLNG | 2711.1100 | 12% | Import thereof |
| [3][51. | LNG/RLNG | 2711.1100 and 2710.2100 | 12% | If supplied to gas transmission and distribution companies |
| 52. | Fertilizers (all types) | Respective heading | 2% | Nil |
| 53. | The following cinematographic equipment imported during the period commencing on the 1st day of July, 2018 and ending on the 30th day of June, 2023. | | 5% | Subject to same limitations and conditions as are specified in Part-1 of Fifth Schedule to the Customs Act, 1969 for availing 3% concessionary rate of customs duty on the import of these equipment.”; |
| | (i) Projector | 9007.2000 | | |
| | (ii) Parts and accessories for projector | 9007.9200 | | |
| | (iii) Other instruments and apparatus for cinema | 9032.8990 | | |
| | (iv) Screen | 9010.6000 | | |
| | (v) Cinematographic parts and accessories | 9010.9000 | | |
| | (vi) 3D Glasses | 9004.9000 | | |
| | (vii) Digital Loud Speakers | 8518.2200 | | |

[1] S.No(s) 48 & 49 omitted by Finance Act, 2018.
[2] S.No(s) 50 to 57 added by Finance Act, 2018.
[3] S.No. 51 substituted Finance Supplementary (Amendment) Act, 2018.

| | | | | |
|---|---|---|---|---|
| | (viii) Digital Processor | 8519.8190 | | |
| | (ix) Sub-woofer and Surround Speakers | 8518.2990 | | |
| | (x) Amplifiers | 8518.5000 | | |
| | (xi) Audio rack and termination board | 7326.9090<br>8537.1090 | | |
| | (xii) Music Distribution System | 8519.8990 | | |
| | (xiii) Seats | 9401.7100 | | |
| | (xiv) Recliners | 9401.7900 | | |
| | (xv) Wall Panels and metal profiles | 7308.9090 | | |
| | (xvi) Step Lights | 9405.4090 | | |
| | (xvii) Illuminated Signs | 9405.6000 | | |
| | (xviii) Dry Walls | 6809.1100 | | |
| | (xix) Ready Gips | 3214.9090 | | |
| 54. | lithium iron phosphate battery (Li-Fe-PO4) | 8506.5000 | 12% | Nil |
| 55. | Fish babies / seedlings | Respective headings | 5% | Nil |
| 56. | Potassium Chlorate (KCLO3) | Respective headings | 17% alongwith rupees [1][70] per kilogram | Import and supply thereof.<br>Provided that rate of rupees [2][70] per kilogram shall not apply on imports made by and supplies made to organizations under the control of Ministry of Defence Production. |
| 57. | Rock phosphate | Respective headings | 10% | If imported by fertilizer manufacturers for use in the manufacturing of fertilizers. |
| [3][58. | LPG | 2711.1910 | 10% | Imports thereof and local supplies of such imported LPG.".] |
| [4][59. | Products of milling industry except wheat and meslin flour | 1102.2000,<br>1102.9000,<br>1103.1100,<br>1103.1300, | 10% | If sold in retail packing under a brand name or trademark |

[1] The figure "65" substituted through Finance Act, 2019.
[2] The figure "65" substituted through Finance Act, 2019.
[3] S.No. 58 added by Finance Supplementary (Amendment) Act, 2018.
[4] New serial numbers 59 to 69 and entries relating thereto are added through Finance Act, 2019.

| | | | | |
|---|---|---|---|---|
| | | 1103.1900, 1104.2200, 1104.2300, 1104.2900 and 1104.3000 | | |
| 60. | Fat filled milk | 1901.9090 | 10% | If sold in retail packing under a brand name or trademark |
| 61. | Silver, in unworked condition | 7106.1000, 7106.9110 and 7106.9190 | 1% | |
| 62. | Gold, in unworked condition | 7108.1100, 7108.1210 and 7108.1290 | 1% | |
| 63. | Articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal. | 71.13 | 1.5% of value of gold, plus 0.5% of value of diamond, used therein, plus 3% of making charges | No input tax adjustment to be allowed except of the tax paid on gold |
| 64. | Prepared Food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops | Respective headings | 7.5% | Supplies only, subject to condition that no input tax shall be adjusted |
| 65. | Ginned cotton | Respective headings | 10% | |
| 66. | Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales | Respective Headings | 14% | if supplied goods are finished fabric, and locally manufactured finished articles of textile and textile made-ups and leather and artificial leather subject to the condition that they have maintained 4% value addition during the last six months"; and |
| 67. | LNG imported for servicing CNG sector and local supplies thereof | 2711.1100, 2711.2100 | 5% | |
| 68. | Frozen prepared or preserved sausages and similar products of poultry meat or meat offal | 1601.0000 | 8% | |

| | | | | |
|---|---|---|---|---|
| 69. | Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish | 1602.3200, 1602.3900, 1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020 and 1604.2090 | 8%] | |

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**Table-2**

Plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be charged to sales tax at the rate of five percent [1][, except goods mentioned in serial numbers 1, 5 and 6 of the Annexure which shall be charged at the rate of ten percent] subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

(i) The imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board.

(ii) The Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's *bona fide* requirement. He shall furnish all relevant information Online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and

(iii) In case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, lay out plan and drawings.
*Explanation.*-In this Table the expression, capital goods mean any plant, machinery, equipment, spares and accessories, classified in chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for—

[1] Commas and words inserted by Finance Act, 2015

(a) the manufacture or production of any goods, and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or

(b) use in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

**Annexure**

| S. No | Description | PCT heading | Conditions |
|---|---|---|---|
| **(1)** | **(2)** | **(3)** | **(4)** |
| 1 | Machinery and equipment for development of grain handling and storage facilities [1][including silos]. | Respective Headings | Nil |
| 2 | Cool chain machinery and equipment. | Respective Headings | Nil |
| [2][3 | ***] | | |
| 4 | 1. Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) *i.e.* single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase.<br>2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the exploration phase. | Respective Headings | 1. This concession shall be available to those Mineral Exploration and Extraction Companies or their authorized operators or contractors who hold permits, licenses, leases and who enter into agreements with the Government of Pakistan or a Provincial Government.<br>2. Temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the differential amount between the statutory rate of customs duty and sales tax and the amount payable under this notification, along with an undertaking to pay the customs duty and sales tax at the statutory rates in case such goods are |

[1] After word "facilities" the words "including silos" inserted through Finance Act, 2016.
[2] S. No.3 and entries relating thereto omitted by Finance Act, 2015

| | | | |
|---|---|---|---|
| | | | not re-exported on conclusion of the project.<br>3. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and the payment of customs duties and taxes leviable at the time of import. These shall however be allowed to be transferred to other entitled mining companies with prior approval of the Board. |
| 5. | Complete plants for relocated industries. | Respective Headings | Nil |
| 6. | Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro- cracking and other value added petroleum products), petrochemical and petrochemical downstream products including fibers and heavy chemical industry, cryogenic facility for ethylene storage and handling. | Respective Headings | Nil |
| [1][7. | ***] | | |
| [2][8 | 1. Milk chillers.<br><br>2. Tubular heat exchanger (for pasteurization).<br><br>3. Milk processing plant, milk spray drying plant, Milk UHT plant.<br><br>4. Milk filters<br><br>5. Any other machinery and | 8418.6910 and 8418.6990<br><br>8419.5000<br><br>8419.3900 and 8419.8100<br><br>8421.2900<br><br>Chapter 84 and 85 | If imported by registered manufacturer who is member of Pakistan Dairy Association] |

[1] S. No. 7 and entries relating thereto omitted by Finance Act, 2015

[2] Serial number 8 added through Finance Act, 2016.

| | | | |
|---|---|---|---|
| | equipment for manufacturing of dairy products. | | |
| [1][9 | Capital goods otherwise not exempted, for Transmission Line Projects. | Respective heading | The concession will be available in respect of those Transmission Line Projects which are being executed under Standard Implementation Agreement under Policy Framework for Private Sector Transmission Line Projects, 2015 and Projects Specific Transmission Services Agreement. Provided that sales tax charged under this provision shall be non-adjustable and non-refundable."] |

**Annex-A**

| Header Information | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NTN/FTN of Importer | | | Regulatory authority no. | | | | | Name of Regulatory authority | | | |
| (1) | | | (2) | | | | | (3) | | | |
| Details of Input goods (to be filled by the chief executive of the importing company) | | | | | | | | Goods imported (Collectorate of import) | | | |
| HS Code | Description | Specs | Custom Duty rate (applic-able) | Sales Tax rate (applicable) | WHT | Quantity | UOM | Quantity imported | Collectorate | CRN/ Mach No. | Date of CRN/ Mach. No. |
| (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |

CERTIFICATE. It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or
the person next in hierarchy duly
authorized by the Chief Executive
Name _____
N.I.C. No. _____

[1] Serial number 9 added through Finance Act, 2018.

***NOTE:--*** *In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

*Explanation.—*

Chief Executive means.—

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or
3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

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**Annex-B**

| Header Information | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NTN/FTN of Importer | | | | Approval No. | | | | | | | |
| (1) | | | | (2) | | | | | | | |
| Details of Input goods (to be filled by the authorized officer of the Regulatory Authority) | | | | | | | | Goods imported (Collectorate of import) | | | |
| HS Code | Description | Specs | Custom Duty rate (applicable) | Sales Tax rate (applicable) | WHT | Quantity | UOM | Quantity imported | Collectorate | CRN /Mach. No. | Date of CRN/ Mach No. |
| (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |

CERTIFICATE. Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and *bona fide* requirement of the project and that the same are not manufactured locally.

Signature _____

Designation _____

***NOTE:--*** *In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

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[1][*The*

# NINTH SCHEDULE

[*See* sub-section (3B) of section 3]

**TABLE**

| S. No. | Description / Specification of Goods | Sales tax on import [2][or local supply] | Sales tax chargeable at the time of registration (IMEI number by CMOs) | Sales tax on supply (payable at time of supply by CMOs) |
|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) |
| 1. | Subscriber Identification Module (SIM) Cards | | | Rs. 250 |
| [3][2. | Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:-- | | | |
| | A. Not exceeding US$ 30 | Rs. 135 | Rs. 135 | |
| | B. Exceeding US$ 30 but not exceeding US$ 100 | Rs. 1,320 | Rs. 1,320 | |
| | C. Exceeding US$ 100 but not exceeding US$ 200 | Rs. 1,680 | Rs. 1,680 | |
| | D. Exceeding US$ 200 but not exceeding US$ 350 | Rs. 1,740 | Rs. 1,740 | |
| | E. Exceeding US$ 350 but not exceeding US$ 500 | Rs. 5,400 | Rs. 5,400 | |
| | F. Exceeding US$ 500 | Rs. 9,270 | Rs. 9,270] | |

## LIABILITY, PROCEDURE AND CONDITIONS

(i) In case of the goods specified against S.No 1of the Table, the liability to charge, collect and pay tax shall be on the Cellular Mobile Operator (CMO) at the time of supply. In case of the goods specified against S.No 2, the liability to pay sales tax at the time of import shall be on the importer, and the liability to charge, collect and pay sales tax payable on supplies shall be on the Cellular Mobile Operator at the time of registering International Mobile Equipment Identity (IMEI) number in his system.

(ii) The Cellular Mobile Operators shall, if not already registered, obtain registration under the Sales Tax Act, 1990.

[1] The Ninth Schedule added by the Finance Act, 2015
[2] Substituted for the expression "(payable by importer at the time of import)" by Finance Act, 2015
[3] Serial number 2 and entries relating thereto is substituted through Finance Act, 2019.

(iii) No IMEI shall be registered in his system by a Cellular mobile Operator without charging and collecting the sales tax as specified in the Table.

(iv) The Cellular Mobile Operator shall deposit the sales tax so collected through his monthly tax return in the manner prescribed in section 26 of the Sales Tax Act, 1990, and rules made thereunder.

(v) The Cellular Mobile Operator shall maintain proper records of all IMEI numbers registered for a period of six years, and such records shall be produced for inspection, audit or verification, as and when required, by an authorized officer of Inland Revenue.

(vi) The Pakistan Telecommunication Authority shall provide data regarding IMEI numbers registered with other Cellular Mobile Operators to prevent double taxation on the same IMEI number in case of switching by a subscriber from one operator to another, and to provide data regarding registration of IMEI numbers to the Board on monthly basis.

[1][(via) The sales tax as indicated in column (3) of the Table above shall be paid by the importer, in case of imports and by the manufacturer, in case of locally manufactured cellular mobile phones.]

(vii) No adjustment of input tax shall be admissible to the Cellular Mobile Operator or any purchaser of cellular mobile phone against the sales tax charged and paid in terms of this Schedule.

(viii) The tax specified in column (4) of the Table shall be charged, collected and paid with effect from such date as may be specified by the Board and the sales tax specified in column(3) shall stand withdrawn from the date so specified.

*Note:-* Notwithstanding anything contained in any other law for the time being in force, the levy, collection and payment of sales tax under Notification No. S.R.O. 460(I)/2013, dated the 30th May, 2013, shall be deemed to always have been lawfully and validly, levied, collected and paid.]

[1] Clause (via) inserted by the Finance Act, 2015

**[1][The**

**TENTH SCHEDULE**

*[See sub-section (1B) of section 3]*

The tax on bricks, falling in PCT heading 6901.1000, shall be paid on fixed basis, on monthly return, at the rates specified in Table below:–

**TABLE**

| S. No. | Region or area | Tax payable per month |
|---|---|---|
| (1) | (2) | (3) |
| 1. | Lahore, Rawalpindi and Islamabad districts | Rs. 12,500 |
| 2. | Attock, Chakwal, Jehlum, Mandi Bahauddin, Sargodha, Gujrat, Sialkot, Narowal, Gujranwala, Hafizabad, Sheikhupura, Kasur, Nankana Sahib, Chiniot, Faisalabad, Jhang, Toba Tek Singh, Okara and Sahiwal districts | Rs. 10,000 |
| 3. | Khushab, Mianwali, Bhakar, Layyah, Muzaffarghar, Dera Ghazi Khan, Rajanpur, Multan, Lodhran, Khanewal, Vehari, Bahawalpur, Pakpattan, Bahawalnagar, Rahim Yar Khan districts; and Sindh, Khyber-Pakhtunkhwa and Baluchistan provinces | Rs. 7,500 |

[1] The new Tenth Schedule, the Eleventh Schedule and the Twelfth Schedule added through Finance Act, 2019.

**[1][The**
**ELEVENTH SCHEDULE**
*[see sub-section (7) of section 3]*

**TABLE**

The rates for withholding or deduction by the withholding agents "not applicable to goods and supplies specified at the end of the following Table"

| S No. | Withholding agent | Supplier category | Rate or extent of deduction |
|---|---|---|---|
| (1) | (2) | (3) | (4) |
| 1. | (a) Federal and provincial government departments; autonomous bodies; and public sector organizations<br>(b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001) | Registered persons | 1/5th of Sales Tax as shown on invoice |
| 2. | (a) Federal and provincial government departments; autonomous bodies; and public sector organizations<br><br>(b) Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001) | Person registered as a wholesaler, dealer or distributor | 1/10th of Sales Tax as shown on invoice |
| 3. | Federal and provincial government departments; autonomous bodies; and public sector organizations | Unregistered persons | Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies |
| 4. | Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001) | Unregistered persons | 5% of gross value of supplies |
| 5. | Registered persons as recipient of advertisement services | Person providing advertisement services | Whole of sales tax applicable |
| "6. | Registered persons purchasing cane molasses. | Unregistered persons | Whole of sales tax applicable."; |

(i) Electrical energy;
(ii) Natural Gas;
(iii) Petroleum Products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high speed diesel;
(iv) Vegetable ghee and cooking oil;

(v) Telecommunication services;
(vi) Goods specified in the Third Schedule to the Sales Tax Act, 1990;
(vii) Supplies made by importers who paid value addition tax on such goods at the time of import; and
(viii) Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered persons with exception of advertisement services.

**[1][The**
**TWELFTH SCHEDULE**
*[See sub-section (2) of section 7A]*

**TABLE**

| S. No. | Goods or class of goods | PCT Heading | Rate |
|---|---|---|---|
| (1) | (2) | (3) | (4) |
| **1.** | **All imported goods subject to exclusions as in conditions and procedure given after the Table** | **Respective Heading** | **3% ad valorem** |

**Procedure and conditions:–**

(1) The sales tax on account of minimum value addition as payable under this Schedule (hereinafter referred to as value addition tax), shall be levied and collected at import stage from the importers on all taxable goods as are chargeable to tax under section 3 of the Act or any notification issued thereunder at the rate specified in the Table in addition to the tax chargeable under section 3 of the Act or a notification issued thereunder:

(2) The value addition tax under this Schedule shall not be charged on,—

(i) Raw materials and intermediary goods meant for use in an industrial process which are subject to customs duty at a rate less than 16% ad valorem under First Schedule to the Customs Act, 1969;
(ii) The petroleum products falling in Chapter 27 of Pakistan Customs Tariff as imported by a licensed Oil Marketing Company for sale in the country;
(iii) Registered service providers importing goods for their in-house business use for furtherance of their taxable activity and not intended for further supply;
(iv) Cellular mobile phones or satellite phones;
(v) LNG / RLNG;
(vi) Second hand and worn clothing or footwear (PCT Heading 6309.000);

(vii) Gold, in un-worked condition; and
(viii) Silver, in un-worked condition.".

(3) The value addition tax paid at import stage shall form part of input tax, and the importer shall deduct the same from the output tax due for the tax period, subject to limitations and restrictions under the Act, for determining his net liability. The excess of input tax over output tax shall be carried forwarded to the next tax period as provided in section 10 of the Act.

(4) In no case, the refund of excess input tax over output tax, which is attributable to tax paid at import stage, shall be refunded to a registered person.

(5) The registered person, if also dealing in goods other than imported goods, shall be entitled to file refund claim of excess carried forward input tax for a period as provided in section 10 or in a notification issued there under by the Board after deducting the amount attributable to the tax paid at import stage i.e. sum of amounts paid during the claim period and brought forward to claim period. Such deducted amount may be carried forward to subsequent tax period.]

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